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THE TIMES

The gun the Army
wants for
Christmas, page 10

Prime Minister in 5-hour surprise visit to Ulster

The Prime Minister paid a five-hour, unannounced Christmas visit to Northern Ireland yesterday, his first for 18 months. He was seen by only a few shoppers, soldiers and invited employees of the public services. Speaking at a lunch at Stormont, he said it was up to Ulster's politicians to agree on a political settlement; Westminster could not impose one.

Warning that 'wasp can still sting'

From Christopher Walker
Belfast

Unannounced and largely unseen by all but a scattering of Christmas shoppers, soldiers and handpicked members of the public, the Prime Minister paid a five-hour visit to Northern Ireland yesterday. During the morning he was given an unheated insight into the realities of daily life for British troops in the province while he stopped to visit a former hotel that now serves as an army base in the centre of Belfast.

As Mr Callaghan was being shown the mechanical intricacies of "Felix", the Army's bomb-disposal robot, alarm bells throughout the barricaded building began to jangle, indicating that bombs had been planted nearby.

While government officials and reporters looked on, the formalities were mostly abandoned as a five-man bomb disposal team was sent from the premises. Soon afterwards two bombs exploded, one away from the main group, the remains of one of Ulster's leading advertising agencies, which had lost its former offices in a similar attack only four weeks ago.

The incident was not sufficient to prevent Mr Callaghan, in his first visit to the province in 18 months, from presenting an optimistic picture of the current situation and of his government's achievements over the past year. But he acknowledged at one point that "the wasp can still sting".

On a brief walk along 200 yards of Royal Avenue, Belfast, Mr Callaghan received a warm but friendly welcome from most shoppers. The occasional housewife tried to raise the question of political stability, but the Prime Minister's answers were lost in a chorus of seasonal exchanges.

Mr Callaghan's only set

speech was at a lunch for workers in the essential services at Stormont, including two part-time firemen defying the present strike. In a general reference to the improving security position and the more than 70 per cent drop in civilian casualties compared with 1976, he told them: "We have not won the battle yet, but we are doing a great deal better than we were a year ago."

On the subject of the continuing political deadlock in Ulster, Mr Callaghan spoke up for the advantages of direct rule from Westminster, but acknowledged that it was not sufficient.

"All political groups here, whoever they may be, have got to join in the discussions and see if they can work out a common solution," he said, speaking on the black steps of Stormont Castle, the building that once housed the old Unionist Government.

"We cannot impose a solution from Westminster, we can only suggest things. It is for the politicians and the people they represent to decide the way they want it to go."

Last night the Provisional IRA launched a concerned bombing attack against hotels and restaurants throughout the province. After three different premises, the police broadcast on television urging hotel and restaurant owners to search their premises.

The first attack was shortly after 8 pm when three guests were badly injured and a car exploded at a hotel in Carrickfergus, an hotel in Carrickfergus, and in an hotel in Hillsborough, Co Down.

Photograph, page 2

Smith breakthrough on whites veto near

From Frederick Cleary
Salisbury, Dec 21

A breakthrough appears to have been achieved at the Rhodesian internal settlement talks. According to well-informed sources, the Rhodesian Government and the three nationalist organizations have resolved the problem of a blocking mechanism which would enable whites to veto retrogressive major legislation in a future black parliament.

Although they have agreed on the principle of such a procedure for a limited period, the nationalists have differed over the details with Mr Smith, the Prime Minister.

The Africans have refused to accept separate voters' rolls because this would amount to racial discrimination.

How the problem of the blocking mechanism has been resolved is not known, but it has been the subject of at least three of the past seven sessions of the talks. An agreed statement after today's 90-minute meeting said simply that discussions continued and various papers were tabled. It was agreed to meet again tomorrow.

A source close to the delegates said: "There has been a small breakthrough."

The Rev Ndabaningi Sithole, leader of the African National Council (Sithole), chaired the meeting.

Neither Mr Sithole nor Bishop Abel Muzorewa of the United African National Council, or Senator Chief Jeremiah Chirau of the Zimbabwe United People's Organisation, talked to journalists afterwards.

The only person to comment was Mr Smith. Looking relaxed and cheerful, he confirmed that progress had been made.

"With one of the most important points apparently having been resolved or being well on the road to being resolved, it is now thought that the talks will speed up."

Meanwhile the civil war, en-

tering its sixth year, continues and combined operations reported today the death of three members of the security forces. Security forces have killed 13 guerrillas and 10 tribesmen said to be living with guerrillas, while five more tribesmen have been murdered by guerrillas.

Salisbury, Dec 21—Confidence sources said Mr Sithole's party opposes a blocking third for whites and is willing to have whites given only a non-blocking fourth of the future parliament's members.

It is, however, willing to agree to a government demand that there be separate voters' rolls—one for whites and one for blacks, the sources said.

The Muzorewa organization is agreeable to blocking third for whites but wants a common voters' roll, the sources said.

The safeguards that a blocking third would protect include a veto on bills of rights, rights that can be fought for in court—the independence of the judiciary, and a guarantee the pensions will be honoured.

Salisbury, Dec 21—The Zambian Foreign Ministry is investigating a machine-gun attack here before dawn yesterday on Zimbabwe House, headquarters of Mr Joshua Nkomo's Zimbabwe African People's Union (Zapu) guerrilla army.

A spokesman for Zimbabwe House quoted in the *Times* of Zambia said: "Rebel Rhodesian agents" stormed the building but were repulsed by Zapu cadres who were now "more alert than ever."

Yesterday's shooting lasted five minutes, according to reports. The spokesman said: "The only person to comment was Mr Smith. Looking relaxed and cheerful, he confirmed that progress had been made."

Other sources, however, have said the fighting was not as serious as it seemed, and that the fighting was confined to the area around the building, with no serious damage to the building.

Mr Nkomo is a Kalanga.

Judge stops attempt to ban pit bonus plan

By Paul Roudledge and
Ronald Kershaw

Militant miners' leaders have lost a legal move to prevent the introduction of local productivity deals. The High Court yesterday refused an injunction to restrain the National Union of Mineworkers from negotiating such schemes.

The decision means that pit or area incentive bonuses will be paid in most coalfields, improving coal production and the chances of a winter free from industrial trouble in the mines.

Leaders of the Yorkshire, South Wales and Kent areas who took action against the executive of the National Union of Mineworkers, its national officers and the South Derbyshire area, relied on their interpretation of the rule book but Mr Justice Watkins said theirs was "a hollow application". "It has no foundation in law or equity," he added.

UK takes first steps to ease exchange control

By John Whitmore

The Government is making a number of relaxations in the present controls over the outward movement of capital from this country, in response to Community demands for the liberalisation of Britain's exchange controls.

In addition to the relaxations being made specifically in respect of other EEC countries, the Government is also abolishing the 25 per cent surrender rule for overseas portfolio investment in respect of all overseas investments.

The relaxations have been made after lengthy discussions with Brussels which has been pressing for some time for Britain to make some more positive moves to implementing its original Treaty obligations.

Under these obligations Britain should have been dismantling its controls over capital flows between the United Kingdom and the EEC over the past few years. Indeed, the final stage of dismantling controls, the ending of controls over overseas portfolio investment, had been due to take

effect from the end of this year. In fact, Britain has taken very few steps down the road to liberalization to date and even the latest moves can be regarded as only a first, and fairly limited, step.

This has been because of Britain's chronic balance of payments problems for much of the Seventies, a fact that the EEC has recognized—as it has with other deficit member states—by regularly giving the necessary authorization for allowing the original timetable to slip.

A start was made with liberalizing controls over outward direct investment in 1972, but the door had to be shut again in March 1974 as a result of the deteriorating health of the pound.

The newly-announced relaxations for direct investment in the EEC involve changes in what is known as the "super-criteria" which is the basis on which official exchange is made available to British companies investing abroad and the proposed changes are twofold.

First, the amount that can

Sugar firm accused of paying low wages

By Annabel Ferriman

Allegations that Tate and Lyle paid some of its workers only £4 a week until recently were made in a film on South Africa last night by Associated Television last night.

Women workers living in a compound with no sanitation and no piped water, whose children were suffering from severe malnutrition, told the ATV team that they were paid one rand (£3p) a day.

They said they were given no food or rations; if they were sick and could not work they were not paid and if they were injured they were never compensated.

A male time cutter said he earned £9.50 a week, had to leave for work while it was still dark, and returned home after sunset.

Tate and Lyle, which formerly owned the principal share in the company employing the workers, told the reporters that no women earned less than £40

rand a month, which was equivalent to £6 a week. The company said that the women had been paid £4 a week until recently.

It maintained that the women enjoyed fringe benefits worth £2 rand a month, including accommodation, food, medical attention, sports facilities and literacy training programmes.

In the case of the male cane cutters, it agreed that he earned £9.50 a week but said that he worked a maximum of nine hours a day.

Tate and Lyle, which last week issued a statement saying that the interviews were "distorted", said its holding in the company employing the workers interviewed after the film was made. The ATV team alleged that it was concerned about its interests elsewhere in Africa and therefore had to be more careful about its record as an employer in South Africa.

Opec ministers fail to agree on new price levels

Oil prices are likely to remain at 1977 levels for at least another six months. Ministers from the world's leading oil exporting countries meeting in Caracas failed to agree on a new price level. The next scheduled opportunity to discuss prices is not until June, next year. The postponement will be seen as a victory for Saudi Arabia, Iran, Abu Dhabi and Qatar, which sought an extension of present prices. Page 13

Fewer immigrants

Figures for immigrants accepted for settlement in Britain were 17 per cent less in the third quarter of this year than in the same period in 1976, according to Home Office figures. Commonwealth citizens were down by 39 per cent but foreign nationals were up by 40 per cent. Page 2

'Carlos terrorist' held

A West German woman who was arrested with a male companion by Swiss police on Tuesday after a shooting incident and car chase near the Franco-Swiss border has been identified as Françoise Kröcher-Niedemann, sought in connection with the abduction of Opec ministers in Vienna two years ago. Page 4

Carol singers on bail

Forty-four people, including four nuns and a priest, who were arrested on Tuesday night for singing carols in front of police headquarters in Johannesburg, were released on £16 bail each. They had congregated with liturgical candles in front of police cells where anti-apartheid activities are being held. The 44 were still singing when led to the police station. Page 4

Calls for harsher prison treatment rejected

Calls for imprisonment to be made harsher have been rejected by the Home Office in an update on policy review. It describes as mistaken the view that making prison a more disagreeable experience would deter the offenders from committing further crimes and serve as a salutary warning to others. Page 3

Air services threat

The governments of Sweden, Denmark and Norway, which operate Scandinavian Airlines (SAS), have announced that they wish to terminate their air services agreements with Britain and to conclude new ones within the next 12 months. If no agreement is reached, flights between Britain and Scandinavia could be brought to a halt. Page 4

China envoy leaving

Mr Sung Chih-kung, the first Ambassador to Britain appointed by the "new" China, returns next week to Peking. Sino-British relations have been transformed during the past five years, thanks in a great measure to his efforts. He also cooperated with *The Times* in organizing the Chinese exhibition in London in 1973. Page 5

Mr Stern told to pay

The High Court yesterday ordered Mr William Stern, the former property developer, to pay about £1.5m after an action brought against him by Keyser Ullmann, the merchant bankers. The bank said Mr Stern owed the money under a personal guarantee given in June, 1973. Mr Stern has been given time to appeal. Page 13

New chairman of Lord Winstanley, former Liberal MP, is to become chairman of the Commons

Commission on January 1. Rome: Vatican faces protests from 52 priests over a decision to transfer some parishes in Southern Italy to other dioceses. Washington: After a long search Yale University has found a new president, a 39-year-old professor of arts who is the youngest ever to hold the post. Page 5

Peace talks 'set for bumpy ride'

From Moshe Brilliant
Tel Aviv, Dec 21

Mr Ezer Weizman, the Israeli Defence Minister, returned from his mission to Egypt today and said that the peace talks there "are not going to be a smooth ride."

There would be "a bump here and a bump there," he said at an airport interview.

His talks with President Sadat, and General Gammassi, his Egyptian counterpart, dealt with what would have to be done to safeguard Israel's security if peace is concluded in Sinai. The discussions had produced agreement on some issues and disagreement on others.

The real work would be done by the Egyptian President and Mr Begin, the Israeli Prime Minister, when they meet on Christmas Day in Jerusalem, Mr Weizman said. Asked if he was optimistic, he replied: "I am hopeful."

Denying a report from Egypt that he had told General Gammassi, Israel would free Arab security prisoners in response to a plea by Mr Sadat, the minister said the question had not been raised.

Our Cairo Correspondent writes: Before leaving Egypt Mr Weizman covered for an hour with Mr Sadat, their second meeting in less than 24 hours.

The President said that during the meeting, attended by Mr Hosni Mubarak, the Vice-President, and General Gammassi, they discussed the broad lines of an overall settlement, and added that Mr Weizman was expected to pay a second visit.

Asked whether he had received a specific peace plan from President Sadat after his talks in Jerusalem with Mr Begin, Mr Sadat replied: "I do not think there has been any specific plan. President Sadat is trying not to comment or give any specific plans until Mr Begin has his conference with me here."

Today's session of the preparatory peace talks in Cairo were postponed until tomorrow as Mr Eliezer Ben Elissar, leader of the Israeli delegation, left the city to meet Mr Weizman before the minister's return to Israel. The talks, mainly designed to prepare an agenda for a re-convened Geneva peace conference, are likely to last until early next week.

Photograph and Arab reaction, page 4

Distillers applies for 50p on four lines of whisky

By Patricia Tisdall

Back then and the price protection it gives to Continental distillers, the Distillers Company is seeking to raise the United Kingdom price of four main brands of its Scotch whisky by up to 50p a bottle.

In response to an EEC directive to end discriminatory pricing, Distillers, the world's largest producer of Scotch, said that if the price Committee refused the proposed raise in recommended prices it would consider stopping the sale of those brands in Britain.

One of its products, Johnnie Walker Red Label, is in any case to be immediately reserved exclusively for sale abroad. However, the de luxe version, Johnnie Walker Black Label, will continue to be advertised and sold in the United Kingdom.

The price of Haig, the company's next biggest selling brand in Britain after Johnnie Walker Red Label, will be unchanged.

No similar moves are planned for Glenlivet and other brands which are also affected by the EEC directive. It is possible to manufacture both spirits abroad and their export sales are not as important as whisky to Distillers.

Export markets account for more than 80 per cent of the company's output of Scotch whisky with sales overseas valued at about £220m in the last financial year. Sales within the EEC alone are estimated to be as large as the home market and with a much faster potential growth rate.

Distillers maintains that its export business would be jeopardized if it lowered the uncontrolled price to match that charged in the United Kingdom. The two-tier export price was introduced to protect foreign distillers, who export an average of 42p a bottle on advertising and promotion, the company estimates.

As a result, sole distributors abroad pay about 70p a bottle (before tax) for Distillers' whisky but others who wish to export were charged £1.13 a bottle.

The British price charged for sale is 66.6p a bottle.

In a statement issued last night, Distillers said that success in export markets requires substantial investment in promotional activity. The cost of that activity must be reflected in the price. The company is therefore confident that in the long run to permit the free flow of parallel exports by wholesalers buying at the United Kingdom price would put at risk the whole of its valuable export business not only in the EEC but throughout the world.

The brands on which the company is seeking price increases include Black & White, White Horse, Dewar's and V&A 69, but beyond stating that the maximum rise sought would be £6 a case of 12 bottles—equivalent to 75 per cent on the manufactured pre-duty price—Distillers would not give details of how such a rise would be applied or what the minimum would be. Prices were last increased by 12p a bottle, in March.

Business Diary, page 15

Turners not for Somerset House

The trustees of the Tate and the National Gallery yesterday again rejected a proposal to use part of Somerset House to display paintings by Turner.

They ruled out the various possibilities for Somerset House because of fire risk

Fog again delays air travellers

Thousands of early Christmas travellers were delayed yesterday as fog brought confusion to Gatwick and Heathrow airports, which were "trying to clear the backlog of passengers affected by delays on Monday."

Hirsch sale is likely to realize millions

By Geraldine Norman
Sale Room Correspondent

Sotheby's announced yesterday that they are scheduling a 10-day auction next June that will leave Mentmore in the shade. They have been commissioned to sell the collections of the late Robert von Hirsch, of Basle. The sales are to be held in London and are expected to make more than the £6.3m realized by the contents of Mentmore Towers in May.

Mr von Hirsch's collection was basically formed in pre-war Germany. While building up his family leather-processing business he became a noted scholar and collector, well known in connoisseur circles, with a close relationship with the Stadel Institut in Frankfurt am Main.

He left Germany for Basle when the Nazis came to power, negotiating permission to remove his collection from the country by ceding an important work by Cranach to Goering. The painting was returned to him after the war by the West German Government.

His donation of an important painting to the Stadel Institut in Frankfurt am Main made him popular in that city.

The collections to be sold by Sotheby's include Old Master, Impressionist and modern paintings, medieval, Renaissance and later works of art, including bronzes of the thirteenth to the twentieth centuries as well as furniture and ceramics of the eighteenth century and earlier.

The older paintings and works of art reflect the taste of Mr von Hirsch himself; the collections of Impressionist and modern works were formed by, or under the influence of, his second wife, the late Maria Dreyfus-Koch, widow of a banker.

The stars of the collection include a Giovanni di Paolo "Madonna and Child" against a background of flowers, an early work, formerly in the Chigi-Saraceni Palace in Siena. There is an early Titian "Agony in the Garden" and a small El Greco "Flight into Egypt".

Among the Old Master drawings there are two great rarities, a Raphael "Study of a child" and one of Dürer's watercolour landscapes. The latter is said to have been bought from a German museum that found itself in difficulties after the last war. There is also a remarkable group of Rembrandt drawings.

The later drawings include the famous van Gogh to come on the market for 30 years, a view of houses at Ste Marie, in the Camargue. There is a whole series of Cézanne watercolours.

Little was added to the collection in recent years. Mr von Hirsch devoted most of his time to his garden, buying the property next to his own and turning it into a gardener's paradise. He sought advice from the Royal Botanic Gardens, Kew.

Mr von Hirsch, born in 1883, died last month. His wife had predeceased him. Sotheby's are selling the contents of his home on behalf of the executors.

Sale room, page 12



JOHN CLEMENT
CHAIRMAN, UNILEVER LIMITED

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Letters: on the Unification of the Church, from Mr Dennis F. Orme; on the Middle East, from Rabbi Sidney Bright; on the Moore murders, from Sir Louis Penck; and the Reverend Dr Kenneth Grant.
Leading articles: Nato: Exchange controls; Australian aborigines; features, pages 7, 10.
Could Buzz offers a Christmas thought to politicians; Malcolm Muggeridge reports on the Buching dialogue; Fashion: by Prudence Glynn.
Arts: Higgins on Placido Domingo's first Werther, in Munich; Alan Coren on Master-

HOME NEWS

Fire strikers jeer TUC rejection of plea for public campaign against 10 per cent limit

By Paul Routledge and Donald Macintyre

The credibility of the Government's income policy barely survived an onslaught by left-wing and public sector union leaders when the TUC General Council met yesterday to consider the next move in the six-week-old firemen's strike.

By 20 votes to 17 it rejected a move to support the firemen's demand for a public campaign against the Cabinet's imposition of a 10 per cent wage rise limit. Opinion shifted noticeably against the Government's handling of the dispute.

That movement was partly reflected in a statement by the general council after a long debate in Congress House against a noisy background of about 1,500 striking firemen outside. Union leaders reaffirmed that they were not party to the 10 per cent limit, and warned the Government of the danger of

applying rigid norms or figures in wage bargaining.

For all that, the decision, by such an unexpectedly small majority, came as a blow to the picketing firemen and they silenced their leader, Mr Terence Parry, by prolonged booing when he told them about the vote through a loudspeaker borrowed from the police.

Mr Parry, general secretary of the Fire Brigades Union, had sought the general council's support for rejection of the recommendation of its "inner cabinet" ruling that the TUC should campaign publicly against the income policy.

Mr Len Murray, the TUC general secretary, and Mr David Barnett, chairman, have been instructed to continue to seek an agreed settlement. They are to meet FBU leaders next week after the firemen's executive has reviewed the strike on December 29.

Mr Murray said last night: "We have spent out that this 10 per cent was dreamed up by the Government, and the implication of that is that the Government should be prepared to allow relatively small movements in that figure, where it is necessary to solve a problem or where it is justified."

"There has been no doubt in our minds throughout that without making the firemen a special case, because they are not asking for that, there is a strong case for a more flexible negotiating position between the employers and the Fire Brigades Union."

That view has been pressed on ministers to no avail. A proposal for a temporary 10 per cent limit was rejected by the Prime Minister. Yesterday's general council vote is the clearest division be-

tween supporters and opponents of pay policy since income restraint was introduced two and a half years ago. Three big unions, the transport workers, miners and engineering workers, were split, and the "anti" vote supporting the firemen went far beyond the left-wing rumour that has consistently opposed pay curbs.

The general council now finds itself in an ambivalent position. It has rejected a campaign against the pay policy, but the policy is unpopular and there is widespread sympathy in the labour movement for the firemen.

However, many union leaders are still unwilling to create a special case for the firemen. A proposal for a temporary 10 per cent limit was rejected by the Labour Government, despite deep unease at the way ministers are treating the 10 per cent as an inflexible limit in the public sector.

The firemen's demonstration was the noisiest and biggest seen outside Congress House for many years. An egg thrown at Mr Murray broke on a pillar above his head and split over his face and suit as he arrived for the meeting.

The mass lobby attracted perhaps a hundred hangers-on from what Mr Murray described as the "lunatic fringe" but it was overwhelmingly dominated by genuine firemen, supported by a lesser number of other trade unionists.

There were loud shouts of "We want names" when Mr Parry disclosed the general council's decision.

Mr Murray said of the demonstration: "If nothing more than that happens to me I am not going to lose a night's sleep over it. I have the highest respect for the Fire Brigades Union and I certainly do not judge it by a lunatic fringe that attaches itself to the union and brain it with its genuine grievances."

He was referring to such groups as the International Marxist Group, the Socialist Workers' Party and the Workers' Revolutionary Party.



The Prime Minister shaking hands with a Christmas shopper in Belfast city centre during a surprise five-hour visit to Northern Ireland

Former MP to oversee national parks

A man of town and countryside

By John Young

Lord Winstanley is to succeed Mr John Cripps as chairman of the Countryside Commission on January 1.

He first achieved public prominence as one of the stars of the "Liberal revival". When he won the Chesham parliamentary seat in the 1966 general election he was a relatively obscure general practitioner whose main claim to fame had been to captain the Combined English Universities cricket team in 1941.

Once having entered politics, he became an active party spokesman on broadcasting and on health. He was prominent in moves to compel MPs to declare their interests and to reduce delays in calling by-elections when seats fall vacant, and was chairman of an all-party backbenchers' working group on MPs' pay and working conditions.

He also campaigned vigorously against cuts in education

spending and against any extension of political control of broadcasting.

Although defeated in the 1970 general election he was able to continue to advocate the interests of thousands of "constituents" as the presenter of *This is Your Right*, the Granada Television programme.

Familiarity with mass communication gave him the opportunity to expand his activities as a journalist and author, on subjects ranging from medicine to the threat to parliamentary independence posed by uncontrolled lobbying.

He returned to the Commons in the March 1974 general election by gaining Hazel Grove for his party, only to lose it seven months later. In December 1975, he was created a life peer, and during the past two years has contributed articles to *The Times*.

Temperamentally he is likely to prove something of a contrast to his academic predecessor, the gentle, rather reserved

son of the late Sir Stafford Cripps. But he said yesterday that he accepted that he was a "new boy" and would have to spend some time learning and absorbing before he started talking publicly.

He added that he was absolutely delighted about the appointment. His lifelong interest in the countryside and outdoor activities had its origins in school holidays spent at the family cottage in the Lake District. "I have climbed Scafell 21 times," he said.

Apart from cricket and walking, his outdoor interests also include sailing. He and his wife spend most of their holidays in Cornwall and North Wales, where they own a boat.

Lord Winstanley takes over at a time of increasing conflict between landowners and visitors to the national parks, for which the commission is primarily responsible. He said yesterday that it was no bad thing that his roots were in urban society as well as in the countryside.

Immigrant numbers down by 17 per cent

By Our Home Affairs Correspondent

Immigrants accepted for settlement on arrival to Britain were 17 per cent fewer in the third quarter of this year than in the same period last year.

Home Office figures released yesterday showed a fall from 12,316 to 10,170, the same percentage decrease as in the second quarter. The 17 per cent drop included a 39 per cent fall for Commonwealth citizens but a 40 per cent increase for foreign nationals.

United Kingdom passport holders fell by 32 per cent to 1,424. Indian citizens were 53 per cent fewer and Bangladeshi citizens 30 per cent fewer.

The main reason for the increase in numbers of foreign nationals was what the Home Office call an exceptionally high number of Pakistani citizens, a rise of 37 per cent, to 3,383.

That figure reflects the special arrangements made to speed the handling of the backlog of priority applications in Pakistan of wives and young children of Pakistani heads of households settled in Britain.

The number of citizens of the New Commonwealth countries and Pakistan together who were accepted for settlement on arrival in the third quarter was 7,872, 22 per cent lower than in the same period last year.

Acceptances on arrival of citizens of the New Commonwealth countries and Pakistan dropped markedly in the fourth quarter of 1976. Acceptances for settlement on removal of time limit also fell markedly.

The term covers reasons such as grandparents born in the United Kingdom. Commonwealth citizens the figure was 3,679, 16 per cent lower, and 4,314 for foreign nationals (1 per cent lower).

The introduction on March 22, 1977, of amended rules under which husbands are no longer granted immediate settlement on marriage strongly influenced the fall.

The number of work-permit holders and dependants admitted in the third quarter of 1977 was again much lower than in the corresponding period last year for Commonwealth citizens (24 per cent down) and foreign nationals (18 per cent down).

EEC residence permits issued in the third quarter numbered 1,563, against 1,380 the same time last year, mostly because of increased numbers issued to French and Italian nationals.

There were 209 illegal entrants detected in the third quarter of 1977, compared with 182 in the first and 184 in the second quarter.

Four children die in house blaze

From Arthur Osman Birmingham

A fire in a two-storey council house at Wednesday, West Midlands, yesterday, in which four children aged between five and twelve died, was said by a senior army officer to be "the Christmas tragedy we have all been dreading".

Troops with breathing apparatus were unable to reach the children in time, and 30 soldiers, Royal Marine Commandos and police were beaten back by flames that engulfed the house at Friar Park in a few minutes at breakfast.

The four, who died huddled together in one bedroom, were Suzanne and Denise Brazier, aged 10 and 12, and Anthony and Lisa Bowen, aged five and seven.

Their mother, Mrs Maureen Brazier, aged 30, who had lived in the house for five years with Mr Arthur Bowen, a building

worker, tried to rescue them but was beaten back by flames and smoke.

She was detained in hospital with severe shock and burns. Three "Green Goddess" fire appliances arrived in less than 10 minutes and troops were told by fire experts that it was unlikely that professional firemen could have rescued the children.

A young married fireman at Aldershot living in a two-bedroomed house said that according to the letter his rent would go up from £27.50 to £35 a month. He said rents were so high because there were sleepers in the house and firemen were on call 24 hours a day.

Appliance crashes: A Green Goddess on a dummy emergency call crashed into a house during a visit by the Duke of Edinburgh to a temporary fire station at a disused factory on the Queenslie industrial estate, Glasgow, yesterday (the Press Association reports).

return to work, in an attempt to persuade them to change their minds.

Kent threat: Hampshire County Council has asked firemen to full-time firemen living in council houses saying that their rents will be increased on February 1 unless they are back at work by then (our Guildford Correspondent writes).

A young married fireman at Aldershot living in a two-bedroomed house said that according to the letter his rent would go up from £27.50 to £35 a month. He said rents were so high because there were sleepers in the house and firemen were on call 24 hours a day.

Appliance crashes: A Green Goddess on a dummy emergency call crashed into a house during a visit by the Duke of Edinburgh to a temporary fire station at a disused factory on the Queenslie industrial estate, Glasgow, yesterday (the Press Association reports).

At the parish pump: Public do their bit in face of threat of fire disasters

Free beer and easy chairs cheer the troops

By Alan Hamilton

With the firemen on strike, the parish pump has acquired added significance. Local newspapers throughout the country have been reporting cheering tales of sympathy and cooperation between the public, striking firemen, and Services firefighters.

The *Husham Courier* reports that soldiers on fire duty billeted in Husham drill hall, have been pleasantly surprised at the warm reception they have had from local residents who have loaned them easy chairs, two television sets, a refrigerator and a game of Scrabble, and are supplying them with free beer. To make them feel really at home local pensioners are washing their clothes, and the district council has allowed them free hot showers at Husham swimming bath.

The regular firemen at Bryher, Isles of Scilly, had no hesitation in turning out when an area of damp, bracken-covered hillside caught fire last week. The *Cornishman* reports. The cause of the fire remains mysterious: minutes before it broke out two loud explosions were heard, and hundreds of

rabbits were seen swarming up the hillside. The chief fire officer of the Isles has concluded that the cause must have been caused by a meteorite.

Firemen at Haverfordwest have told the *Western Telegraph* that they will consider accepting their picket line over the Christmas period. The occasion: the arrival of Santa Claus. Santa usually arrives in the town by fire engine, and the firemen are considering taking fire engines on the road to ensure his prompt arrival. But they are adamant about one thing: "We will not let part-timers drive it," they said.

Relations between firemen and public are equally good in north London, the *Hampstead and Highgate Express* reports. Firemen at West Hampstead station have been given a consignment of wood by an anonymous donor; from which they have built a shelter for pickers. They are also getting free supplies of firewood from a local firm of shopfitters, while their workmates at Kentish Town station have been given a Christmas tree and paper chains by a pensioner. Since the strike began the West

Hampstead men have collected £1,200 from the public for their strike fund.

The fire training being given to soldiers may be short, but it is clearly effective, judging by a report in the *Kent Messenger*. Private Tony Hale, having finished a short Army fire-fighting course, was walking to his home in Maidstone when he noticed a house on fire. He dashed in and rescued a woman, aged 82, who had been so engrossed in the *March of the Day* that she did not realise her bedroom was ablaze.

Meanwhile, the chief fire officer of Kent has reported that nine of his men have left the week that the strike began, in spite of his warning to them to think carefully before doing so.

The strike is also causing difficulties in Essex where the *Essex Chronicle* reports that chief constable of the county is saying that the firemen's action is costing the police force £5,000 a day in extra police overtime, most of it taken up by policemen guiding "Green Goddesses" around unfamiliar streets. Since the

strike began, the county police force has paid out £110,000 in overtime to its firemen.

County councillors are reported to be looking for ways to transfer the money saved from firemen's unpaid wages to the police.

From such figures it would be reasonable to conclude that the public is at least aware of the firemen's strike. It is not the case in Trefores, South Wales, according to the *Pontypridd Observer*. A public meeting was called at the start of the strike to urge advice to householders on fire prevention and how to organize street firewatch parties. Only two people turned up: a retired fireman and his son.

In case anyone should think that it is only a life in the fire-fighting Army, the *Westmorland Gazette* provides evidence that a soldier's life is not all death-defying action. Army and R.A.F. firefighters at Kendal had been alerted to a fire four weeks before they received their first call, which turned out to be a chip pan on fire. The squad now have their battle honours painted on the side of their fire engine, and a chip pan and two rescued cats.

'Front' teacher's dismissal is ruled fair

A teacher, Albert Hough, of Sackville Gardens, Hove, Sussex, National Front Parliamentary candidate for Worthing, lost a claim for compensation when a Brighton industrial tribunal decided yesterday that he was properly dismissed for misbehaviour.

Mr Hough, aged 30, alleged that the James School of English dismissed him for his politics. Mr Nicholas Hall, for the school, said Mr Hough openly criticised the management and "poached" students for his own school.

Parity claim by union

The Institution of Professional Civil Servants yesterday lodged a claim for a temporary differential allowance of £24,500 professional and technical staff who earn less than the people they supervise.

Taxi fares up

Taxi fares in London are being increased by a tenth from today: the minimum hiring charge will go up from 40p to 45p, but the 10p surcharge imposed on each hiring last December will be abolished.

Drug offender jailed

Satnam Singh, aged 29, of Letchworth, Hertfordshire, was jailed at Northampton Crown Court yesterday for six years on being found guilty of possessing nearly 2½lb of cannabis oil.

Driver loses appeal

Sr Francis Samuelson, aged 87, a former motor racing driver, lost an appeal at Chichester Crown Court yesterday, against a ban for driving his car through a red traffic light at Worthing.

Motorway services

Throughout the Christmas holiday, including Christmas Day, all motorway service areas will maintain refreshment, petrol, breakdown, lavatory and parking facilities, the Department of Trade said yesterday.

Council may face more queries on dead youth

By Craig Seton

East Sussex county social services department may face further close scrutiny over its handling of the case of Stephen Menheniott, aged 19, who was murdered by his father after he had returned to his home at St Leonards-on-Sea, from the council's care.

An internal inquiry by the county council has discovered that the file on the youth was marked "closed" after his return home although parental authority still remained parental rights.

The inquiry concluded that the department did not positively monitor the case over the child when, at the age of 15 in 1972, he returned to St Mary's. Three years later he was murdered by his father, who was killed by his stepfather in 1973. Mr John Preddy, chairman of the council's social service committee, said yesterday that Stephen Menheniott returned home before Maria Colwell's death and therefore before any new procedures were adopted in the social service department.

107 journalists dismissed in pay dispute

By a Staff Reporter

The Manchester Evening News yesterday dismissed its entire editorial staff. The 107 members of the National Union of Journalists' chapel (office branch) voted to dismiss the management for failing to meet their demands for a pay agreement that has been dismissed by the Department of Employment.

All editions of the paper appeared yesterday, having been produced by the editor and two senior company executives.

The management had required an undertaking that the journalists would return to normal working by yesterday morning. The journalists, who were working to contract and that they intended to issue notices alleging unfair dismissal.

Mr Ian McWilliam-Fowler, father (chairman) of the chapel, said: "We are ready to work according to our contracts, but the management have refused to allow us to work."

Options on ending pact to be debated by Liberals

By Our Political Editor

The special assembly of the Liberal Party meeting in Liverpool on January 21 is to debate a resolution giving options when to end the parliamentary arrangement with the Government.

A draft proposing the options of an immediate end to the "pact" or a later engagement, as Mr Steel, the party leader would wish, was approved at a meeting of the party's standing committee in London on Tuesday night.

It is to be further considered and perfected by the party's assembly committee meeting on December 31 before being circulated to local party associations.

Party leaders will be concerned to ensure that the decision is clear-cut, and they will

Man who 'made war on society' gets 15 years

A burglar said to have declared war on society with 14 raids on country houses was jailed at Exeter Crown Court yesterday for 15 years.

In 11 weeks last year Denis Morley's thefts exceeded £141,000, it was stated. Less than £15,000 of the silverware, unique weapons and heirlooms have been recovered.

The jury, after a 55-day trial, found Mr Morley, aged 36, guilty of 14 burglaries and one offence of corruption, the attempt to bribe a detective sergeant whose inquiries led to Mr Morley's arrest the night he was due to leave Britain.

He was sentenced to 14 years' jail for each of the burglaries, to run concurrently, and a further 12 months to the concurrent total on the corruption count. He was ordered to pay £5,000 towards the prosecution costs.

Mr Justice Dunn told Mr Morley: "You have declared war on society, and society should be protected from you for a very long time."

The judge made special mention of several police officers for the way they had handled the investigation. One was Det Sergeant Patrick Ward, attached to the Devonshire Police, Exeter, who refused Mr Morley's attempted bribe.

'Today' to stay

The BBC announced last night that the *Radio Four* morning programme *Today* will not be dropped.

Big city councils want functions back

By Christopher Warman Local Government Correspondent

The 10 largest district councils outside the metropolitan areas in England and Wales are to seek an urgent meeting with Mr Shore, Secretary of State for the Environment, to press the case for an early return to them of important local services, including education and social services.

At 10 were autonomous boroughs before local government reorganization in 1974 and provided the main local services for their communities.

After meeting in London yesterday, representatives of the 10 expressed disappointment that no reference was made in the Queen's Speech to the possibility of returning those powers.

Mr Shore is in favour of giving them back, and floated the idea of a limited change in the local government system at the Labour Party local government conference last January, but colleagues at the Department of Education and Science and the Department of Health and Social Security disagreed.

Mr Charles Morris, of Bristol City Council, who chaired yesterday's meeting, said the 10 would press for the changes to be made in this parliamentary session. "There is no doubt that the duplica-

tion of functions is costing the ratepayers a lot of money," he said.

The 10 include both Labour and Conservative authorities. They are Bristol, Derby, Cardiff, Hull, Leicester, Nottingham, Plymouth, Portsmouth, Southampton, Stoke-on-Trent, all about 200,000 in population.

The case for the "organic change" put forward by Mr Shore, supported by the Association of District Councils, although the association does not favour the transfer of the education function.

In the next few weeks the group will hope to see Mr Shore and other ministers.

Weather forecast and recordings



Today
Sun rises: 8.4 am
Sun sets: 3.54 pm
Moon rises: 4.49 am
Moon sets: 2.20 pm
Full moon: December 25.

Lightning up to 4.24 pm to 7.35 am. Slight rain: London Bridge, 11.46 am, 6.6m (21.2%); Arromboure, 4.50 am, 11.2m (36.8%); 5.20 pm, 11.8m (37.9%); Dover, 8.53 am, 5.5m (19.2%); 9.27 am, 5.5m (19.2%); Hull, 3.41 am, 6.2m (20.5%); 4.14 pm, 6.5m (21.2%); Liverpool, 9.13 am, 8.2m (26.8%); 9.31 pm, 8.3m (27.1%).

Troughs of low pressure will cross the British Isles in a mild S.E. stream.
Forecasts for 6 am to midnight:
London, S.E. and NW and central N. England, East Anglia, Midlands, N. Wales, Isle of Man, N. Ireland: Sunny intervals, scattered showers, more general rain later; max temp 12°C (54°F); min temp 8°C (46°F).
Liverpool, 9.13 am, 8.2m (26.8%); 9.31 pm, 8.3m (27.1%).

WEATHER REPORTS YESTERDAY MIDDAY: C, cloud; A, drizzle; S, fair; F, rain; S, sun.
August 1977: 1. 10. 20. 30. 40. 50. 60. 70. 80. 90. 100. 110. 120. 130. 140. 150. 160. 170. 180. 190. 200. 210. 220. 230. 240. 250. 260. 270. 280. 290. 300. 310. 320. 330. 340. 350. 360. 370. 380. 390. 400. 410. 420. 430. 440. 450. 460. 470. 480. 490. 500. 510. 520. 530. 540. 550. 560. 570. 580. 590. 600. 610. 620. 630. 640. 650. 660. 670. 680. 690. 700. 710. 720. 730. 740. 750. 760. 770. 780. 790. 800. 810. 820. 830. 840. 850. 860. 870. 880. 890. 900. 910. 920. 930. 940. 950. 960. 970. 980. 990. 1000. 1010. 1020. 1030. 1040. 1050. 1060. 1070. 1080. 1090. 1100. 1110. 1120. 1130. 1140. 1150. 1160. 1170. 1180. 1190. 1200. 1210. 1220. 1230. 1240. 1250. 1260. 1270. 1280. 1290. 1300. 1310. 1320. 1330. 1340. 1350. 1360. 1370. 1380. 1390. 1400. 1410. 1420. 1430. 1440. 1450. 1460. 1470. 1480. 1490. 1500. 1510. 1520. 1530. 1540. 1550. 1560. 1570. 1580. 1590. 1600. 1610. 1620. 1630. 1640. 1650. 1660. 1670. 1680. 1690. 1700. 1710. 1720. 1730. 1740. 1750. 1760. 1770. 1780. 1790. 1800. 1810. 1820. 1830. 1840. 1850. 1860. 1870. 1880. 1890. 1900. 1910. 1920. 1930. 1940. 1950. 1960. 1970. 1980. 1990. 2000. 2010. 2020. 2030. 2040. 2050. 2060. 2070. 2080. 2090. 2100. 2110. 2120. 2130. 2140. 2150. 2160. 2170. 2180. 2190. 2200. 2210. 2220. 2230. 2240. 2250. 2260. 2270. 2280. 2290. 2300. 2310. 2320. 2330. 2340. 2350. 2360. 2370. 2380. 2390. 2400. 2410. 2420. 2430. 2440. 2450. 2460. 2470. 2480. 2490. 2500. 2510. 2520. 2530. 2540. 2550. 2560. 2570. 2580. 2590. 2600. 2610. 2620. 2630. 2640. 2650. 2660. 2670. 2680. 2690. 2700. 2710. 2720. 2730. 2740. 2750. 2760. 2770. 2780. 2790. 2800. 2810. 2820. 2830. 2840. 2850. 2860. 2870. 2880. 2890. 2900. 2910. 2920. 2930. 2940. 2950. 2960. 2970. 2980. 2990. 3000. 3010. 3020. 3030. 3040. 3050. 3060. 3070. 3080. 3090. 3100. 3110. 3120. 3130. 3140. 3150. 3160. 3170. 3180. 3190. 3200. 3210. 3220. 3230. 3240. 3250. 3260. 3270. 3280. 3290. 3300. 3310. 3320. 3330. 3340. 3350. 3360. 3370. 3380. 3390. 3400. 3410. 3420. 3430. 3440. 3450. 3460. 3470. 3480. 3490. 3500. 3510. 3520. 3530. 3540. 3550. 3560. 3570. 3580. 3590. 3600. 3610. 3620. 3

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HOME NEWS



Night puts a shine on Trafalgar Square with its (left to right) fountains, Norwegian Christmas tree, National Gallery, South Africa House, and street lights sparkling like diamonds.

Home Office rejects calls for harsher regime in the prisons

By Peter Evans

Home Affairs Correspondent

Calls for imprisonment to be made harsher are rejected by the Home Office in an important policy review published today.

It describes as mistaken the view that making prison a more disagreeable experience would deter the offender from committing further crimes and serve as a salutary warning to others.

A custodial sentence is by its nature inherently unpleasant, and its main deterrent effects lie in the deprivation of the offender's liberty and the restrictions necessarily arising from the regime, it says.

Even if it were possible to revert to such nineteenth-century devices as the treadmill or the crank there was no reason to suppose that custodial sentences could be made any more effective, in terms of the protection of society, by such means.

The review is an expression of the wish of Mr. Rees, Home Secretary, for more open discussion of policy options. In a "review" he says he wishes to generate public debate.

The review says that the preservation of the prisoner's personality and the prevention of deterioration calls for as high a priority as efforts to bring about the inmate's improvement. But much of the rest of the 186-page review of the work of the service in England and Wales demonstrates the difficulties faced in attempting to realise that aim.

Even the success of some of the measures introduced as alternatives to prisons has made the difficulties of running them more intractable. They have not only created some of the more stable and manageable elements that have left the prison population in times past but have also "left more exposed the build-up of prisoners serving very long sentences."

That build-up has resulted not least from the declining use and eventual abolition of the death penalty for murder and from the increasing use of life imprisonment for other offences.

For every life sentence prisoner there is hope of eventual release, even though the prospect may be a remote one. But the Home Office admits: "There may be some men who are so dangerous that they will never reach the point where they can safely be released."

In 1913, the vast bulk of prison sentences imposed were up to two weeks—80,961, compared with only 3,162 in 1975. The range of sentences, most

favourable by contrast these days is more than five weeks and up to three months.

Even in 1938 only 47 sentences imposed were over five years, compared with 532 in 1975, and life sentences have increased in that period from 14 to 153.

The less use being made of sentences of a few days or weeks is due to such factors as the widespread use of fines and probation, and by the allowance of reasonable time to pay fines imposed, the review says.

The much longer sentences are being served in obsolete buildings, deriving from a failure to provide a single purpose-built closed prison or closed borstal during the 40s from 1918 to 1953. Of the 55 closed prisons in which male inmates were held in custody at the end of 1975, only eight were built as prisons since 1914.

In many of the Victorian prisons the drains, power supplies and heating systems have become inadequate for modern needs and have reached the end of their useful life. "This has meant a real rise, in recent years, of a total breakdown of these essential services; and the department has spent about £1m a year since 1969 on replacing them or improving them."

A prison refurbishing programme to make the old buildings less harsh and drab and to make more ambitious improvements in some of them was originally scheduled to take four years. But the difficulties facing the service mean that only now can the review speak of most of the work having been carried out. The total cost is likely to be about £225,000,000.

"It will be some considerable time before the service can be within sight even of the limited goal of eliminating overcrowding; of providing acceptable living conditions for all those in custody; and thus of relieving the feelings of very real and immediate pressure which many members of the service are undoubtedly experiencing."

In view of the recent cuts in public expenditure and the consequential reduction in the funds available for prison building, it is stated, "It will not be possible to start building any further new penal establishments (other than one new category B dispersal prison at Long Newton) either to provide additional places or to replace Victorian accommodation, until at least the early 1980s."

Prisons and the Prisoner (Stationery Office, £5.25).

Social trends, 3: Drugs cost more than the doctors who prescribe them Life lasts longer for non-manual workers in the South

By Annabel Ferriman

Growing hospital waiting lists, an almost static infant mortality rate, and much higher death rates in the North than the South are some of the black-spots on the health services.

The latest volume of *Social Trends*, published by the Central Statistical Office, shows that hospital waiting lists rose from 604,000 patients in 1966 to 722,000 in 1976, most of whom were awaiting operations.

Despite that trend, however, the number of people in private medical insurance schemes started to fall. In 1975 it fell for the first time from 2,334,000 to 2,315,000, and a year later it fell again to 2,251,000. During the same period premiums rose by 28 per cent.

Dramatic improvements in many countries' infant mortality rates in the past 25 years have not been equaled in the United Kingdom.

The countries with the most significant reductions were Japan, where the rate fell by 52 per cent, and France, where it fell by 77 per cent.

Both those countries now have better rates than the United Kingdom, where infant mortality is about 15 deaths in 1,000 live births. For Japan, it is 11; for France, 13.

For the healthiest life it is best to live in southern England and take up a non-manual job. Scandinavian mortality rates for men in Scotland, the North and North-west in 1975 were all more than 10 per cent above average, whereas East Anglia, the South-east and South-west all had rates more than 6 per cent below average.

Social class appears to be an important factor influencing the age and cause of death. Unskilled manual workers are much more likely to die of pneumonia, bronchitis and

cancer of the lung than professional men are. Even death from heart disease, commonly considered a special risk for men executives, is more frequent among unskilled men, and middle-class men are likely to live longer than their working-class counterparts.

The commonest causes of death have changed in the past decade. Between 1968 and 1975 deaths of men from heart disease, diabetes and pneumonia went up, whereas deaths from strokes and bronchitis went down. By far the largest increase in deaths among women was from lung cancer, the rate of death going up 31 per cent, possibly because of an increased number of women smoking.

Accidents and violence were the commonest causes of death among men in the 25-44 age group, but not for young women.

The cost of drugs prescribed by family doctors was more than the cost of the doctors themselves in 1975, the figures show. Payments to doctors accounted for about 30 per cent of the cost of family practitioner services, whereas payments to pharmacists for drugs came to about 42 per cent. In 1953 the costs were more or less equal.

The proportion of women on the contraceptive pill rose from 19 per cent to 30 per cent between 1970 and 1975. A much larger proportion of the recently married used it than of those married 20 years ago: 60 per cent, compared with 29 per cent.

The number of men suffering from sexually transmitted diseases rose from 92,000 in 1961 to 185,000 in 1976, and alcoholism admissions rose from about 8,000 in 1967 to about 13,500 in 1975, the

sharpest rise taking place between 1971 and 1975.

Registered drug addicts increased by a fifth between 1971 and 1976, from 1,549 to 1,881; those on heroin and morphine dropped from 485 to 301. But those on methadone, a heroin substitute, rose from 1,160 to 1,477.

A huge drop in the number of children vaccinated is shown, the proportion for diphtheria, poliomyelitis and tetanus falling from about 70 per cent in 1966 to 56 per cent in 1976. For whooping cough it fell from 72 per cent to 32 per cent.

A larger proportion of professional and managerial men gave up smoking in 1976 than those in other groups; a quarter of them were former regular smokers, compared with 20 per cent in semi-skilled work and 14 per cent in unskilled.

Concluded

A statistical profile of Britain's regional tribes

By Philip Howard

The average Scot, if such a creature can be said to exist, is less likely to own a motor car, but correspondingly more likely to travel by air than a fellow citizen in other parts of the United Kingdom.

If you live in East Anglia you are less likely to get married than the rest of us, but make up for it by being more likely to have central heating in your house.

Social regional profiles of the diverse and enchanting tribes that call themselves British are published today by the Central Statistical Office. The 149 tables, as dense as

tropical jungle with percentages and averages, conceal some interesting regional differences. For example, the average Northerner travels less far (74 miles) each week than any other average Briton. To make up for it, he spends the highest proportion (5.9 per cent) of his household expenditure on alcohol.

The average inhabitant of Yorkshire and Humberside travels a high proportion of miles by bus, devotes a high proportion of his leisure time to holidays and other such jolly rides; and eats more fish than the rest of us. The Central Statistical Office says he has a high consumption of fish,

which sounds a bit offensive. If you live in the east Midlands you are statistically more likely to suffer or commit the offence of violence against the person than elsewhere in England. The South-east has the highest marriage rate, as well as the highest proportion of recorded robberies, thefts, and offences of handling stolen goods, fraud and forgery.

The average inhabitant of the South-west is least likely to go abroad for his holidays, and least likely to leave school without a qualification. If you live in west Midlands you are less likely to die of heart disease than average creatures in other parts of the United Kingdom, but you eat far more bacon and ham than the rest of us.

There are some fascinating regional differences in eating habits. Wales has the highest average weekly expenditure a person on butter, and the lowest on coffee. Scotland has the highest spending on bread, and the lowest on fresh green vegetables. The North spends more than other regions on eggs and tea. Yorkshire and Humberside spend most on fish. The South-east and East Angles spend more than other regions on fresh green vegetables and processed fruit.

In several different surveys of earnings and income, the South-east always shows the highest income figures, except for male manual workers, where the North is always top. That is a recent development. Ten years ago six regions had higher average earnings than the North.

This annual anatomy of the United Kingdom and Northern Ireland considered as 11 separate limbs does not give a rounded profile of each region, but it contains some useful and extraordinary facts for planners and businesses whose operations need good regional knowledge.

Mr. Tony Ward, the Age Concern researcher, calls on the Department of Health and Social Security to release more details of its survey carried out in the winter of 1975-76 so that questions about ability and take-up may be answered.

CSO Regional Statistics No. 13, 1977 (Stationery Office, £5.50).

Man cleared of having knife for protection

A man who argued through his lawyer that he was justified in carrying a weapon for protection in an area with a high risk of street attacks was cleared at Marylebone Magistrates' Court, London.

James David, who admitted that one of his reasons for carrying a knife was to defend himself in Harlesden, London, was cleared of having an offensive weapon.

Mr. David, aged 24, a factory worker, of Elm View Road, Wembley, Park, formerly Harlesden resident, had been found with a blunt knife.

He was fined £50 with £34 costs and banned from driving for 14 months for drinking and driving.

Newspaper is criticized for not keeping its promise

Failure to keep an undertaking to show someone an article of a personal nature before it was published in the *Daily Mail* has resulted in a complaint to the Press Council being upheld.

The complaint was made by Mrs. Ene Kirby, of Capel Curig, Betws-y-Coed, chairman of the Snowdonia National Park Society against an article by Anne Batt.

The article commented on a book written by Mrs. Kirby's husband, Thomas Kirby, entitled *I bought a mountain* and said he had become bored with his mountain and quit.

with the result that for 37 years 3,000 wild acres had been managed virtually single-handed by the Dwyren shepherds he had begun.

Mrs. Kirby complained that she had reluctantly agreed to an interview and had stipulated that a considerable part of the article should be on the work of the Snowdonia National Park Society. Before the interview Anne Batt promised to send her a copy of the article before publication, she said.

The article was published without the promise being honoured. Mrs. Kirby later received a letter of apology from Miss Batt.

saying she had no idea the article was about to appear. "I recall promising you a proof", she said.

The council's adjudication was that the article gave the wrong impression of her life and the farm. It caused her embarrassment when she received letters from unknown people who imagined she had been willing broken-hearted in the mountains for 30 years, instead of which she had been happily married for most of that time. Her shepherd was also concerned that his dedicated work with the sheep was ignored and the

impression given that she toiled alone. She had made clear that some of her remarks were not for publication.

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Doctor's appeal dismissed

The appeal of Dr. Nanda Kumar, aged 31, against a six-month jail sentence for indecency assaulting a girl of 13, was dismissed at Manchester Crown Court yesterday.

Dr. Kumar, of Stepping Hill Hospital, Stockport, was sentenced on Monday by Stockport magistrates.

Man injured by battery radio

A man suffered eye injuries yesterday when a radio set blew up while he was examining it in a Brighton secondhand shop. Its batteries, because of faulty wiring, received a charge while it was plugged in, although turned off.

The radio, known as Bambino Hunters, are black, measure 5in by 5in and are made in Hongkong.

Liberals propose Scots legal reforms

From Ronald Faux

Edinburgh

The Law Reform Group of the Scottish Liberal Party proposes radical reforms to the Scottish legal system. In evidence to the Royal Commission on Legal Services, Scotland it suggests the abolition of the Court of Session except for appeal cases and removal of all custody cases to children's hearings.

In addition it recommends abolition of the Faculty of Advocates, provision of legal aid before all tribunals and career training with a promotion system for judges. The emphasis, it says, should be on uniform sentences. The "indefensible monopoly by solicitors of conveyancing should be abolished."

The group proposes a new Department of Justice to oversee the administration of the courts and prosecutions. It is widely critical of the present arrangements for conducting

criminal prosecutions and particularly of the division of responsibility between the Secretary of State for Scotland and the Lord Advocate.

Mr. David T. Marcus, Scottish Liberal spokesman on legal affairs and chairman of the group, introduced the report in Edinburgh yesterday and said: "The nub of our argument is that access to the courts in particular and the legal system in general is getting more difficult at the very time when every citizen is subject to more and more laws and rules."

The Liberals are dissatisfied with present legal arrangements for three reasons:

1. Cost of litigation is so high that only the rich and those of the legally aided with low contributions can afford to sue or defend. The courts are denied to most individuals.

2. Parliamentary checks on the executive are declining and citizens are more at risk dealing with ineffective legal remedies with the vastly increased bureaucracies of

the Crown and all sorts of public authorities.

3. In all sorts of issues involving the welfare state the citizen receives a poor service from a legal profession neither trained nor used to assisting with disputes over social security or the National Health Service.

The group says: "As part of a broad reform of the structure of appellate jurisdiction the House of Lords should, in Scottish cases suitable for appeal to that court, sit in Edinburgh." The group wishes to eliminate the monopoly of the Faculty of Advocates to appear in higher courts in Scotland.

It believes, however, that the basic method of legal aid services should be founded on the private practitioner, backed by more government money for a big extension of the Citizens' Advice Bureau services, which should form a first tier. It also wants more subsidies for lawyers to set up practices in areas of multiple deprivation.

Praise for young man who disarmed kidnapper

Peter Hawkins, aged 19, was praised by Mr. Justice Dunn and the police at Exeter Crown Court yesterday for his courage in handing an armed and dangerous kidnapper who had vowed to put a north Devon town "on the map."

Mr. Hawkins, a tractor driver at Kents Farm, Dulverton, Somerset, received the tribute from the judge. Young Herpes, aged 38, was sentenced to life imprisonment.

Mr. Neil Butterfield, for the prosecution, said Mr. Hawkins acted with great coolness and considerable courage in disarming Mr. Herpes after being forced to drive an estate car at high speed. His actions ended a three-day hunt for the gunman, who had earlier forced another man at gunpoint to drive his car.

Mr. Hawkins' family was being held at gunpoint at the farm. He volunteered to drive Mr. Herpes to Rampton, even though he knew he would lead straight into a police roadblock. With a sawn-off double

barrel shotgun at his head he was forced to drive through it and a chase ended when a motorist helped to block the road.

The estate car halted near the blockade. Mr. Hawkins searched the weapon from Mr. Herpes and held it out of the window.

Mr. Herpes, of School Close, Bampton, Devon, was fined for life on each of two counts of abduction, two of aggravated burglary, and one of unlawful imprisonment. He was also sentenced to five years for burglary, two years for storing the barrels of a shotgun, two years for trespassing with a firearm, and one year for taking a Volkswagen car without the owner's consent, all to run concurrently. He pleaded guilty to all nine offences.

The judge congratulated Mr. Hawkins on his great courage and presence of mind. He awarded him £25 out of public funds as a "small token of public appreciation."

Resident orchestra

The Philharmonia Orchestra will become the resident orchestra at the annual Swansea Festival, it was announced yesterday.

Although the orchestra has appeared at the festival before, it has been invited to appear every year for at least three years.

No Welsh speaker

A public inquiry due to open on January 30 into Gwynedd County Council's proposal to demolish part of the two Cromlech boulders at Llanberis Pass has been postponed because the Welsh Office cannot supply a Welsh-speaking inspector.

Solicitor ordered to be struck off

The Solicitors' Disciplinary Tribunal in London yesterday ordered the name of Mr. Henry Lloyd Ashby to be struck off the roll for misusing money held for clients.

The tribunal found that it was a case where an honest solicitor under pressure had used a client's money for another client's purpose. It said it might be appropriate for Mr. Ashby, of The Marsh, Rythe, Southampton, to apply for restoration of his name to the roll.

Plastic ball inserted near brain cures eye paralysis

By Our Health Services Correspondent

A Cambridge bricklayer, aged 33, has had a balloon, rather smaller than a mistletoe berry, implanted at the base of his brain. The operation is probably the first of its kind in Britain. The technique has been used in Russia and in France.

The operation was performed at Addenbrooke's Hospital, Cambridge, by Dr. Desmond Hawkins, consultant radiologist, who learnt it from Pro-

fessor Gérard Debrun, in Paris. It was first described by a Russian doctor in 1974.

The operation is another example of using plastic within the body. The balloon blocks off a weakness in the wall of an artery, which, in the patient's case, led to paralysis of his right eye. Within two days of the 2½-hour operation, eye movements began to return.

The technique may be used to treat circulatory diseases or avert a stroke.

Replacement of board of film censors advocated

The British Board of Film Censors should be replaced by a panel of representatives from local authorities, the film industry and critics, the Association of Metropolitan Authorities, to which all large local authorities belong, suggested.

The association suggests a statutory British institute of film standards should take over from the voluntary board.

The association feels that films should neither encourage nor condone violence, nor incite racial hatred, and should avoid "extreme depravity". A certificate from the suggested institute would make an exhibitor

immune from prosecution for showing an indecent or offensive film.

In its evidence to the Williams committee on obscenity and film censorship, the association says: "Local authorities should lose their powers of censorship but should have the right, together with film companies, to appeal against certificates given."

It wants local authorities to retain powers of licensing cinema premises and advocates stricter control over film clubs. It insists that there is no case for the abolition of film censorship.

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- * Don't operate electrical switches—on or off.
- * Do open doors and windows.
- * Then check that you haven't left the gas on and unlit—or that a pilot light has not gone out.

If you suspect a gas leak, turn off the supply at the meter—and report the leak. Do this at once.

The number's in the telephone directory under Gas—and we're on call 24 hours a day.

We'll come quickly and deal with the problem. And if you smell gas at work or in the street, please report it at once. Don't leave it to someone else.

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BRITISH GAS

WEST EUROPE

French MPs break up for holidays aware an era may be ending

From Charles Hargrove
Paris, Dec 21

There was an end-of-school atmosphere at the National Assembly when the last day of the parliamentary session ended at midnight. The holiday mood, which already gripped the deputies and made it a tough task for the Government to get the necessary quorum to rush Bills through at the last minute, was tinged with a distinct mood of melancholia.

Many deputies knew, or feared, they would not return next April, after the elections, and others felt instinctively that, whatever the outcome at the polls, when the new Parliament meets things would never be the same as before, either for themselves or for the country.

The Fifth Republic will be 20 years old next year. Although at the time when President Pompidou succeeded General de Gaulle, there was more when M. Giscard d'Estaing was elected three and a half years ago, it was widely said already that the sixth had been formed by stealth, there is this time a haunting impression of the end of an era.

This impression is so much stronger now because with few exceptions over the last twenty years, 20 years has been the average span of successive French regimes. What is certain is that, party politics apart, the country's desire for change is indisputable.

At all events, President Giscard d'Estaing felt that the close of the Fifth Republic—the only one to run its full five-year course—deserved a more ceremonial close.

At a dinner at the Elysée

Palace last night, to which he had invited the officers of the National Assembly and their wives, he praised the importance of the legislative task it had accomplished. "This Fifth Parliament," he said, "will have been the Parliament of freedom."

In yet another demonstration of the secular character of French politics, which corrupts even the atmosphere of a social occasion hosted by the head of state, the Communists had unanimously decided to decline the invitation, on the ground that it was a purely electoral operation.

The Socialists had been left free by their party managers to do as they wished. Three of them stayed away, but two of them, as did one left-wing Radical.

In a speech of great dignity, the President took this as his cue to give his guests the benefit of three essential notes. "The first is that we have good institutions which meet the requirements of democracy, of action in our time, of our national character. In accordance with the duties of my office, I shall ensure their existence in all circumstances. That is my first responsibility," he declared.

My second reflection is that French society is neither frozen nor stagnant, but on the contrary on the move. In the course of the past few years, it has demonstrated a capacity for adjustment and evolution which is indisputable.

My third remark concerns democratic debate in this country. By organizing it, Parliament has made it possible, without which there is no democracy."

Woman held by Swiss linked with Carlos

Berne, Dec 21.—A West German woman arrested yesterday after a shooting incident involving Swiss customs men was today linked with the abduction of oil ministers from Vienna two years ago.

The woman, who was arrested with another West German, was identified as Gabrielle Kröcher-Tiedemann, aged 26, said to be an accomplice of the Venezuelan terrorist "Carlos", who led the raid on the Vienna headquarters of the Organization of Petroleum Exporting Countries (Opec). She is alleged to have shot an Austrian policeman during the attack.

Three people were killed and six wounded when six gunmen stormed into the Opec building and took 21 hostages, including Saudi Arabia's oil minister, and 10 other Opec ministers. They were later released in Algiers and Tripoli.

Frau Kröcher-Tiedemann was also linked with the kidnapping in Vienna last month of Herr

Walter Palmers, the Austrian textiles millionaire.

Officials said Frau Kröcher-Tiedemann and Herr Christian Möller, a 28-year-old West German, suspected of having taken part in several bank robberies who was detained with her yesterday, were carrying dollar bills used as part of the ransom paid for Herr Palmers.

Ms Kröcher-Tiedemann, the President, who was answering questions in his capacity as Minister of Justice and Police, said the money indicated a connexion with the Palmers affair.

In exchange for the life of Herr Peter Lorenz, the kidnapped West Berlin politician.—Reuter.

Nato check on spy leaks

From Our Own Correspondent
Boon, Dec 21

General Alexander Haig, Nato Commander-in-Chief in Europe, discussed West Germany's recent espionage case during a meeting today with Herr Schmidt, the Chancellor.

More than 1,000 Defence

Ministry secret documents were apparently betrayed to East Germany by the spy ring.

Meanwhile, a ministry spokesman told press conference that Herr Georg Leber, the Defence Minister, was not planning to resign and that he would continue in office during the coming year.

Democracy to Spaniards' liking

From William Chislett
Madrid, Dec 21

Spaniards have got through their first democratic year feeling freer, in the main happier, and still fairly confused. They are looking forward to the new year which, they believe, will be better than 1977, according to the results of a series of opinion polls published today in the Christmas edition of the weekly news magazine *Cambio 16*.

"Spain today is Vicente Aleixandre (the Spanish poet who won this year's Nobel prize for literature) and Eurocommunism, unemployment and sexual freedom, political leaders and 'punk' music," the magazine says.

The Manuses (the people of the island of Manus) of New Guinea are famous for having come in one generation from the Stone Age to the twentieth century. Spaniards are beginning to be famous for going

from a dictatorship of 40 years to a democracy without revolution or war.

Exactly the same percentage of Spaniards as Britons—82 per cent in both countries—are satisfied with their way of life, according to the Instituto Consultiva, which interviewed 1,500 people in Spain this month.

Spaniards, however, have a lot more problems than the British. They seem to be surrounded by some of them and are not very worried by the doom-laden forecasts about the economy and the destabilizing effect it could have on the political situation.

Sixty per cent said they were happier now than 10 years ago, when General Franco was still in full control. Spaniards do not think that democracy is decadent in spite of the long years of indoctrination under the Franco regime.

Thirty-eight per cent said that for them democracy meant more freedom; 23 per cent of those

Diocesan 'border war' waged in southern Italy 52 priests oppose Vatican decree on transfer of four parishes

From Peter Nichols
Rome, Dec 21

The Vatican is today making light of reports about a border war in southern Italy involving four parishes and two dioceses which straddle the regional frontier between the regions of Molise and the Abruzzi.

Reports that 52 priests are in "a state of agitation" and threatening a strike are described by the Holy See as "tentative and frequently false".

Cardinal Agostino Casaroli, prefect of the Sacred Congregation for the Bishops, received a delegation of priests and laymen from the area yesterday. The meeting was said to have been "tranquil and quiet".

The cause of the tension is a decree issued by the Vatican taking four parishes away from the diocese of Trivento and adding them to that of Sulmona. Three of the parishes are in the town of Trivento and one in Alfedena.

The object of the change, according to the Sacred Congregation for the Bishops, was to give the parishes a more homogeneous character. The faithful of the four parishes have much better communications with Sulmona than with Trivento. The four parishes are in the Abruzzi region, as is Sulmona, while Trivento is in Molise.

But this is one of the points

which has upset the residents. Signor Agostino Santucci, the Christian Democrat mayor of Castel di Sangro, says that apart from the question of ecclesiastical convenience, the citizens of his town feel they have more ties across the border with their Molise neighbours than with the Abruzzi region to which they officially belong.

He has written to the Pope on the matter but he admits that there is disagreement on the issue both among priests and lay people and some favour the change.

The leader of the opposition to the decree, Don Alfonso Cerrone of the parish of San Giovanni Battista in Castel di Sangro, claims to be fighting against dismemberment of the Trivento diocese. The opposition also alleges that the Bishop of Sulmona, Mgr Francesco Anselmi, has given himself a bad name locally by once calling in the carabinieri to protect a new parish priest saying Mass from people protesting against the removal of his predecessor.

In March Mgr Anselmi met the Bishop of Trivento, Mgr Enzo d'Antonio, and it is understood that they agreed on the cessation of the four parishes. Last month Mgr d'Antonio was nominated Archbishop of Pescara, Mgr Antonio Valentini, was named as his successor.

This nomination calmed those who thought that the diocese of Trivento was threatened with extinction. But on December 8, in his homily of farewell in the cathedral at Trivento, Mgr d'Antonio announced that the four parishes would indeed pass from Trivento to Sulmona.

The next day an assembly was held in the parish church of San Giovanni Battista in Castel di Sangro. On December 12, a Vatican official arrived in Trivento with the official decree.

and the bishop were called "traitors" by some of the opposition and it is said that, when the Vatican's emissary announced that he had brought the Pope's blessing, the priests leading the agitation refused it. One of the principal claims emerging now was that changes in diocesan boundaries would no longer be made without the consent of the parishioners concerned.

The attitude of the more turbulent clergy shocked some sections of local opinion. Signor Santucci said that certain young priests in the high Molise were unwilling to show respect for the hierarchy. "We cannot," he concluded, "declare war on the Holy See."

Cardinal Agostino Casaroli is due to go on Boxing Day to Pescara to consecrate Mgr Valentini as Bishop of Trivento.

Teachers start worse off than semi-skilled

From Our Correspondent
Geneva, Dec 21

In some countries primary school teachers starting their careers are paid less than semi-skilled manufacturing industry workers on their first job, according to a survey by the International Labour Organization.

On the basis of 1976 figures, Canada (New Brunswick) paid primary teachers at the bottom step of their salary scale 44 per cent less than average earnings in manufacturing industry.

The difference for England and Wales was 32.5 per cent, for Japan 35 per cent, for Italy (1975 figures) 41.8 per cent.

Teachers were best off in Nigeria (with 144 per cent more than the relevant workers' pay) and Argentina (50 per cent more on 1975 figures). Switzerland (Aargau, 27 per cent) and West Germany (14.3 per cent).

The study found that over a number of years the difference in salaries between primary and secondary school teachers and between levels of remuneration at the bottom and the top of individual scales.

This may be socially justifiable, but it tends to dampen enthusiasm for obtaining higher qualifications which in turn could lead to a deterioration generally in the calibre of education it adds.

In some educational systems young graduate teachers in secondary schools are also receiving less than workers in manufacturing industry.

The study suggests that, where teachers are concerned, the question is not whether the country can afford to pay but rather whether it can afford not to.

Scandinavian threat to British air pacts

By Arthur Read
Air Correspondent

The governments of Denmark, Norway and Sweden said yesterday that they wish to terminate their air services agreements with Britain and to conclude new ones within the next 12 months.

An agreement is not reached within that period, flights between Britain and Scandinavia could be brought to a halt. This almost happened between Britain and the United States in June after British cancelled the Bermuda air services agreement. The new one was signed as the 12-month deadline expired.

Giving their reasons for their action yesterday, the Scandinavian governments said that the present agreements, which dated from the 1940s and 1950s, did not conform to the development of civil aviation principles of later years.

They are particularly concerned, however, is the British policy of designating several airlines on the routes between Britain and Scandinavia while their own airlines, SAS, represents all three Scandinavian countries.

The present controversy between the British and the Scandinavian governments is the result of a series of scheduled services by such airlines would jeopardize the development of primary routes by the airlines of the three Scandinavian countries.

Most cautious of all were the British who fear that the scheme proposed by Mr Jos Chabert, the present Belgian president of the Transport Ministers' Council, would lead to a lowering of road safety standards.

Mr Chabert's idea is that from the beginning of 1980 member states would undertake to issue national licences in a standardized format. This would be followed by gradual harmonization of national rules on driving

Unemployment in EEC shows little change

Brussels, Dec 21.—Nearly six million people were out of work in the nine countries of the EEC at the end of November, according to official figures released today.

The official monthly analysis said although the total of 5,997,000 represented a 12 per cent rise over last year, it was only a small increase over last month and when seasonally adjusted showed no significant change.

The statistics showed a fall in unemployment last month in two countries—France, where it dropped by 2.2 per cent, and in Britain, where it decreased for the third month running, this time by 1.3 per cent.—Reuter.

Bomb supplier jailed

From Our Own Correspondent
Munich, Dec 21

Dieter Hoff, the Frankfurt metal craftsman who built bombs for the Baader-Meinhof terrorist gang, was sentenced today to four years and eight months in jail.

He was arrested at first by the terrorists that they wanted him as props for a film. Herr Hoff fashioned custom-made time bombs, often from steel pipes.

Wrapped in gift paper and sometimes accompanied by flowers—detail typical of the Baader-Meinhof gang—they

were placed in United States military bases, police headquarters, newspaper offices and a big company. Three Americans were killed.

Herr Hoff's specialty, however, was the "baby bomb", a small sphere with a wire which a woman terrorist could carry under her dress to look as if she were pregnant.

Herr Hoff did not become a member of the gang. He claimed that after he had realised the gang's real identity and purpose they forced him to continue by threatening to kill him.

A high-level source said Mr Hoff was suffering from a cold but had almost recovered. Other sources said that Mr Hoff was continuing to work at home and had himself written the congratulatory message to the KGB on the state

Thieves tie up and rob
Anita Ekberg
Rome, Dec 21.—Anita Ekberg, the film actress, was attacked in her villa near here last night and robbed of jewelry and money worth eight million lire (about £5,000).

Five masked men, armed with sawn-off shotguns, broke into the villa at Borgo San Lucia di Montana, and tied and gagged the Swedish-born actress, who was alone. She managed to free herself two hours later and call the police.

Thieves also broke into the house last August, and got away with an undisclosed haul of jewelry, furs and other valuables.—Reuter.

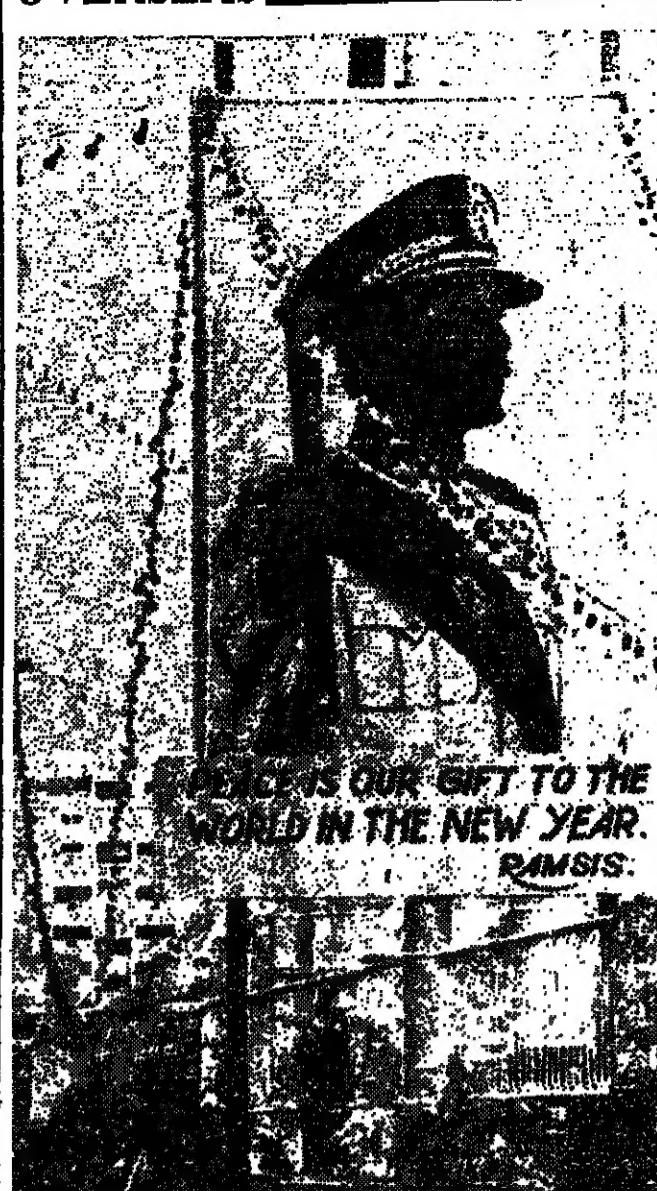
SADAT'S MOST OUTSPOKEN INTERVIEW:



"Geneva is not the objective. If we achieve peace without Geneva it is not a blasphemy... The Soviets are angry because they want to be our mentors... Kosygin is a technocrat Podgorny was a dim wit... I intend to go all the way with my initiative, even without super power blessing" — Carter's role in Sadat's Israel visit

For further information:
EVENTS
The Newsmagazine on the Middle East
67 Southampton Row, London WC1B 4ET
Telephone: 01-637 7361

OVERSEAS



A Cairo poster, sponsored by a firm called Ramsis, acclaims the peace initiative.

First Saudi support for Sadat initiative

Beirut, Dec 21.—Saudi Arabia expressed guarded support for the first time today for President Sadat's peace initiative, although other Arab opposition intensified.

In an interview with a Saudi newspaper Crown Prince Fahd said: "We, as brothers of the Egyptian people and Sadat, will never cease contacts with Egypt or giving our advice whenever it serves the Arab interest."

"Our love and respect for the Egyptian people is beyond question and we will never change our attitude because we are one with the Egyptian people. What harms us harms the Egyptian people and what makes us happy makes the Egyptian people happy," he said.

His words contrasted sharply with the criticism voiced by the Palestinians and radical Arab governments as Mr Sadat's Christmas Day meeting in Egypt with Mr Begin's Likud Prime Minister, approached.

According to the state-run Damascus radio, "hundreds of thousands" staged a demonstration today in Aleppo, Syria's second largest city, chanting slogans denouncing Mr Sadat as a traitor.

In Beirut an explosion, apparently caused by a rocket which missed its target, badly damaged an unfinished building near to the Egyptian Embassy.

This was the third attempt to blow up the embassy in as many days. Security forces defused two time bombs left outside the embassy on Monday and yesterday, while minor explosions caused slight damage to other Egyptian offices in Beirut.

An organization calling itself the Lebanese Arab Youth "claimed responsibility for all the attacks."

The Palestinians also continued their attacks against Mr Sadat's policy. The Christmas Day meeting is intended to "pave the way for a unilateral peace between Egypt and Israel," according to a statement by Mr Yasser Arafat, the chief of the Palestine Liberation Organization's information department.

Mr Rabhu repeated the PLO's rejection of Mr Begin's peace proposals, which would grant civil autonomy to the Palestinians in the Israeli-occupied West Bank and the Gaza Strip.

"The Sadat-Begin project will find no hole to sneak through and liquidate the Palestinian cause," he said, and added that a meeting of all Palestinian leaders is to be held "within a few days."

Meanwhile, the Cairo newspaper Al-Akhar warned the Palestinians guerrillas that for every bullet they fired at Egypt, Egyptians will retaliate with one million bullets.

The working, broadcast by the state-controlled Cairo radio, was in response to a reported statement attributed to Mr Sadat Khalaf, deputy leader of the PLO. "A single bullet is enough to stop President Sadat from proceeding with his peace bid," Mr Khalaf was quoted as saying.

Saudi Arabia had previously avoided siding publicly with Mr Sadat, in what was seen as an attempt to preserve its role as an influential mediator to heal the rift dividing the Egyptian President and the radical Arab governments.

King Hussein of Jordan has proposed that Palestinians should be allowed to enter the West Bank, pending the conclusion of the Geneva peace conference, the Lebanese weekly magazine *Assayad* said today.

Quoting reports from Damascus, the magazine said the King made the proposal during his recent tour of Syria, Egypt, Saudi Arabia, and the Gulf states.

Palestinian representatives from the West Bank would pledge to ask for the same objectives as the PLO under the Jordanian monarch's offer, it added.

The magazine said King Hussein told Syrian leaders after Mr Sadat's visit to Israel last month that there was a genuine trend towards peace in the region which had not existed hitherto.—UPI, and Reuter.

Debts and rain swamp the Kennedy Centre

From Patrick Brogan
Washington, Dec 21

The roof has fallen in on the Kennedy Centre. This large white edifice on the Potomac, which contains Washington's principal theatres and concert hall, will be in debt by \$35.4m (\$21m) in 12 months. And it needs \$4.7m to repair damage caused by the leaks in the roof. Things are not so good as they seem, however. Most of the debt is owed to the Treasury in the form of interest payments on loans and the structural damage looks far worse than it is. In addition, the Vienna Opera is coming in 1979.

The roof started leaking soon after the Kennedy Centre was opened, but became a serious problem only this year when spring rains penetrated to the ceilings of the concert hall and the grand foyer. That enormous and very dreadful room (it contains a gigantic bust of President Kennedy done in bronze cornflakes) was for a while closed to protect people from falling plaster.

Solid wooden passages have now been constructed there, with feeders from the entrance halls and to each of the three theatres. Now the restaurants on the top floor are to be closed while repairs are done. The concert hall will also have to be closed next summer.

There is a brisk legal argument between the centre and the firms which built the place, and although it is most inconveniently sited, it is very popular.

As for the argument over the centre's debts, a report by the General Accounting Office records a vigorous dispute over accounting procedures. At the moment, 76.2 per cent of the centre's maintenance costs are paid by the National Park Service, because the centre is a national memorial, the Washington Monument. Scores of thousands of visitors pour through it every year.

The centre thinks the Park Service should be paying for the interior Department, which controls the Park Service, thinks it should pay less. The centre's director, Mr Roger Stevens, thinks a new arrangement should be worked out, cutting the centre's financial losses. Otherwise its artistic quality would suffer. In particular, it would have to stop giving free children's concerts.

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Filipino gunman and 21 hostages are refused food

Sulic Bay, Dec 21.—A Filipino gunman today held 21 hostages in a bank on the huge American naval base here and said he wanted money and a getaway helicopter.

The gunman believed to be a former employee at the base, staged a hold-up and herded bank workers and customers into a room at the bank just as it was closing yesterday. They were held up in the room without food for more than 30 hours.

American officials tonight called in a Roman Catholic priest to try to persuade the man to release his hostages before the effort failed.

The gunman told base officials by telephone that he wanted money from the bank and a helicopter to fly him to a destination not yet disclosed. Negotiators refused his demand for the helicopter and also turned down requests for food, saying they feared that anyone taking in the provisions would also be made a hostage.—Reuter.

Brezhnev absence due only to 'a cold'

Moscow, Dec 21.—President Brezhnev, missing from public view for almost two weeks, is recovering from a mild indisposition and should reappear in about a week, Soviet sources said today.

The 71-year-old leader was not at the opening today of a session of the Russian Federation Parliament, although he normally attends when he is in Moscow.

A high-level source said Mr Brezhnev was suffering from a cold but had almost recovered. Other sources said that Mr Brezhnev was continuing to work at home and had himself written the congratulatory message to the KGB on the state

security police organization's sixtieth anniversary.

They said he had also appeared at a closed-door meeting of the full central committee on December 13, five days after he was last seen in public.

Mr Brezhnev was last seen in public on December 8 at the Red Square funeral of Marshal Aleksandr Vasilyevsky. Since then he has missed a number of functions where his presence is virtually obligatory.—UPI.

But Dec 21, Mr Brezhnev is seriously ill with heart trouble at his country house and is no longer capable of taking care of state affairs, *Le Figaro*, the French daily newspaper, said today.

It claimed he was in the hands of a team of medical experts and his disease already had spread a backstage jostling for power in the Kremlin.

"The health of Leonid Ilyich has suddenly taken a turn for the worse, it is being feared from a sure source," the newspaper said, adding that the Soviet Communist Party secretary and head of state is suffering from grave heart trouble, arteriosclerosis and coronary deficiency.

The newspaper said that a brief for Mr Brezhnev's succession was already under way, and that the man touted presently as the likely successor was Mr Yuri Andropov, head of the KGB.—UPI.

Police HQ carol singers freed for Christmas

Johnsburgh, Dec 21.—Forty-three whites and a black arrested last night after carol singing and lighting candles outside police headquarters in John Vorster Square here, were given bail today and ordered to appear in court on February 16.

The 44, including four nuns and a priest, were released on £16 bail each after a special hearing.

The carol singers congregated holding lighted candles on the pavement opposite the cell block of police headquarters where many anti-apartheid activists are being held. They had almost finished singing their first carol when the police surrounded them.

An officer said that they were attending an illegal gathering. Undeterred, they began a second carol and were arrested. They were led, still singing, into the police station.

Five journalists reporting on the incident were held for over an hour.—Reuter and Agence France-Press.

Washington, Dec 21.—A misadventure charge against Dick Gregory, the comedian, who was arrested on November 24 for demonstrating near the South African Embassy here, was dismissed today when the Government said it did not want to prosecute.

Mr Gregory, who had spent one night in jail, was not required to be in court.—AP.

Spassky refuses to play in chess protest

Belgrade, Dec 21.—The twelfth game of the chess candidates' match between Russian grandmasters Boris Spassky and Viktor Korchnoi was postponed today after Spassky failed to show up, continuing the psychological warfare between the two contestants.

Officials said Spassky, a former world champion, risked forfeiting the game by refusing to play, but Korchnoi and the referee, Boszard Kaszic, agreed on a postponement.

Korchnoi leads the 20-game match, 6½ points to 3½. Spassky's refusal to play was apparently in protest against a referee's ruling that a large display chessboard should come down from the stage.—UPI.

NEW BOOKS

Finding the balance

Nations and States
An enquiry into the origins of
nationalism and the politics of
nationalism
By Hugh Seton-Watson
(Methuen, £12)

This is as difficult a book to review as it must have been to write. Professor Seton-Watson has set up the broadest possible canvas for himself. In seeking to understand the nature of nationalism, and its impact upon states and international society, he traces its origins on a historical, region-by-region (and almost country-by-country) basis, and then examines it on the basis of concepts. Thus, he has four chapters on Europe, on what he calls the "Old Continuous Nations", on the movements for national unity, on the European-based empires and the new nations which emerged from them, and on the European overseas empires. Then follow sections on the Muslim empires of West Asia and North Africa; the Chinese, Indian and other empires of East Asia; and the colonial empires and new nations of Africa. Finally, there are sections on the impact of race on nationalism, on "dispora nations", on nationalism and class warfare, and on the interaction between nationalism and various world-wide ideological movements. Seton-Watson provides notes, bibliographies and two indices, altogether making up over 550 pages; and his book is priced accordingly.

No one will dispute the importance of the subject. Nationalism, regarded as self-determination, has been labelled as a progressive force since the days of the Enlightenment. In the nineteenth

century, most intelligent and humane-minded people were nationalists of one sort or another. The principle of self-determination was virtually written into the Treaty of Versailles and successively enshrined in the League and the United Nations. The expectation among the well-meaning, after 1945, was that the break-up of the old colonial empires, and the establishment of self-determined states all over the world, would inaugurate an era in which territorial aggression ceased. This has not happened. Religion, class-warfare, ideology, but above all, nationalism, have combined to produce more active territorial disputes than ever before, and more wars, albeit small ones but waged with considerable venom. Appalling crimes have been, and are being, committed in the name of the nation-state. What guidance does Professor Seton-Watson have to offer?

Not very much, I fear. That is not his intention. His book is more a survey of the topic than any attempt to produce answers to the dilemmas it poses. After all, it is a survey, a survey of the past, and the ground, in that there are few nationalist movements or episodes throughout history, anywhere in the world, which are not briefly described in his pages. The approach, in many ways, is that of a textbook. The organization of material is academic, the tone of voice objective and judicious, and the bibliographies provide evidence of an enviable wide range of reading. Anyone planning an international seminar on nationalism will turn instinctively and gratefully to this volume: the enormous subject has, as it were, been examined and reduced to manageable size.

The danger, of course, is that such a comprehensive approach is liable to drift into the writing of a pot-boiled history of the world. Seton-Watson does not altogether avoid the temptation. We have short, and usually admirable, summaries of a vast range of historical developments—such as the rise and fall of the British Empire in India. But, despite the length of the book, there is never enough space for a treatment in depth and for the isolation of the significant details which provide the key to an understanding of a particular historical phenomenon. Endless summarizing makes for dull reading, too. Seton-Watson is at his best when dealing with Eastern and Central Europe, the Balkans, and Turkey. There, his profound knowledge and love of his subject make the summarizing both illuminating and easy to read.

Personally, I wish the professor had let himself go a little more often, and made it clear what really worries him about the place of nationalism in the contemporary scene. After all, it is a survey, a survey of the past, and the ground, in that there are few nationalist movements or episodes throughout history, anywhere in the world, which are not briefly described in his pages. The approach, in many ways, is that of a textbook. The organization of material is academic, the tone of voice objective and judicious, and the bibliographies provide evidence of an enviable wide range of reading. Anyone planning an international seminar on nationalism will turn instinctively and gratefully to this volume: the enormous subject has, as it were, been examined and reduced to manageable size.

commits herself to two rival nationalisms, as in the Ogaden crisis, and then chooses between them on a hasty basis of crude Realpolitik. Russia's irresponsibility might not matter quite so much were it not for the prevailing nationalist ideology of the United Nations, which reflects the interests, real or supposed, of the former colonial territories. The UN punts the attainment of national aspirations (often mutually antagonistic) before the preservation of international order and the rule of law. Even in theory, then, it is useless for ending Ogaden-type wars.

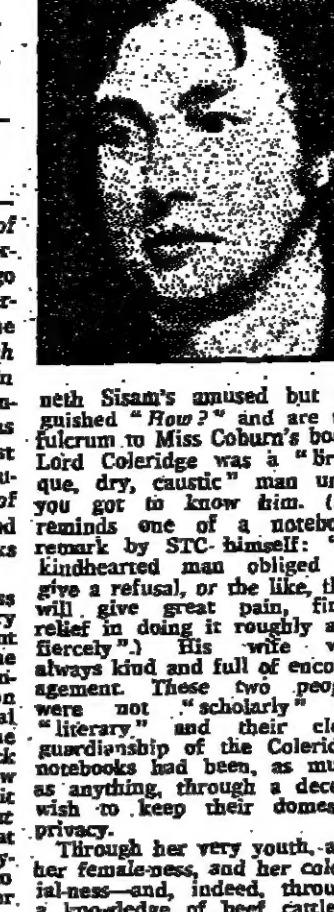
Seton-Watson, however, has little to say about the UN. He writes at length on race, but here again he does not answer what to me is an increasingly insistent question: at what point does nationalism become racism? After all, is not all nationalism a form of racial prejudice, which must, if only by inference, contain a racist element? The UN has officially pronounced for what it is worth, that Zionism is a form of racism. But Zionism is only one type of nationalism, what Seton-Watson calls "dispora nationalism" (also practised by, for instance, the Chinese). Why is Jewish nationalism legitimate and Arab nationalism illegitimate and worthy? There is, of course, no answer to this question.

Hot property

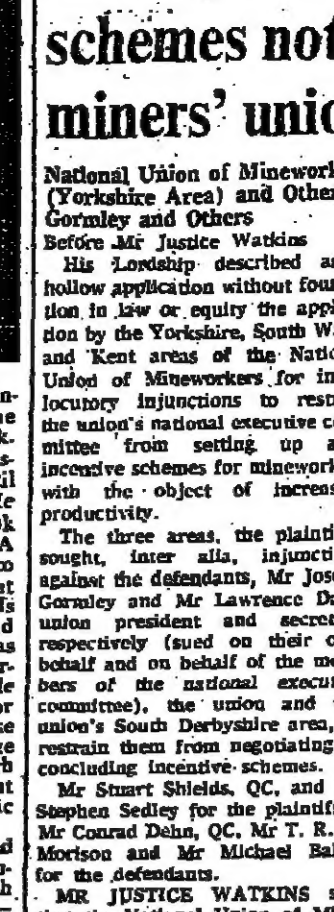
In Pursuit of Coleridge
By Kathleen Coburn
(Bodley Head, £4.50)

It has not been the best of years for the Oxford University Press. A month or two ago Elizabeth Murray revealed parsimony and compromise in the matter of the Oxford English Dictionary, and now Kathleen Coburn shows the Press turning its back on what has proved to be one of the most moving and majestic contributions to literary scholarship of the century: the text of and commentary on the Notebooks of Samuel Taylor Coleridge.

When the youthful Miss Coburn ("a very young, very starry-eyed, very ebullient" she calls herself at one point) went down to see Kenneth Sisam of the Clarendon Press in 1936 with a proposal to edit the notebooks from the original copies, "he threw back his head and laughed. How long you pray, a young girl like you, manage to get that stuff! Don't you know that England is full of old greybeards who've been wanting to get their hands on that for decades. Tell me how?"



It is clear he was not going to take her very seriously. After all, he was not Mr Stephen Porter planning with the Press a four-volume edition of transcripts of the notebooks, perhaps with the help of G. O'Rourke, and who could believe in the scholarly potential of a colonial and all that. And, as she says, so, not meaning to be rude, a young woman, too? This, primarily, of the advice of E. K. Chambers ("who was writing his notoriously wrong-headed biography of Coleridge at that time") the Delegates rejected Miss Coburn's proposal on financial grounds and such a rejection it seems is absolute and eternal. The project faded, but Miss Coburn, who was then as well as now a starry-eyed (and who, incidentally, is never a bore), held to her purpose, and once the war was over she returned to the project. In 1957 the first "volume"—one book of original Coleridge, and one book of commentary—appeared, and the Bollingen Foundation had every reason to congratulate themselves on "a success that exceeded all expectations."



The Notebooks, which have now reached their third "volume", bear on their dedication page the names of Geoffrey, Third Baron Coleridge, and his wife Jessie, and they are, finally, the answer to Ken-

Chair and table talk

Professing Poetry
By John Wain
(Macmillan, £6.95)

"John," says Yevushenko, "you are a very juicy man." John Wain, who has been writing since 1933, is having lunch with others. We are on opposite sides of the table, but we signal to each other with understanding. Wain ponders the meaning of being a juicy man. "Since from his expression I see that this is a compliment, I assume he means that I am the opposite of a dry stick."

So he is. A juicy man. Indeed, juicy in all the rather unusual book John Wain, poet, novelist, critic, has since late 1973 been the Professor of Poetry at Oxford. He occupies, as they say, a chair. And, as they say, a chair has been occupied by distinguished writers before him: Auden, Graves, David Lewis, Blunden, Fuller. Most of these writers published the lectures which they delivered from that chair,

the *ex cathedra* stuff. And that, of course, is what Mr Wain is doing now. Only *Professing Poetry*, being the work of a juicy man, does not contain merely the words delivered from the chair, but the thoughts of the chairman on the way to the chair, and the circumstances in the local pub on the way home from the chair, and so forth. In other words, it is a set of Oxford Professor of Poetry Lectures (fairly formal pieces on Auden, on Larkin, on Eliot, on T. S. Eliot, on Dickinson, on W. H. Auden, and on more general topics such as "Poetry and Social Criticism") buttressed with chat about the gathering in the author's garden when the new edition of his book had been elected, happy little reminiscences of the victory dance performed by his friends Philip Larkin and Peter Levi later that night, and a few questions from the work of younger poets who has encouraged while at Oxford and rather chummy word-pictures of them, all designed or thrown together to open a window not just on the author's mind but on his way of life.

The merit of the book is that it does provide a sort of continuum, and the reader is then free to decide whether he enjoys reading it. If he can accept Mr Wain's blandishments within it, a dry stick would march up to his chair and deliver his thoughts on, say, Auden, and then, as Mr Wain all juicy, can not only range up and down in Empson's work (where he has a distinguished track record, having been one of the very first to draw serious attention to its uniqueness) but can throw in provocative afterthoughts about Empson's style, wistfully, and, as it were, in a way that is not a bit of a bore, but a genuine pleasure. This is a book that is not a book, but a conversation. It is a book that is not a book, but a conversation. It is a book that is not a book, but a conversation.

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Impressive pessimist

Selected Letters of William Faulkner
Edited by Joseph Blotner
(Scolar Press, £10)

In the dear dead days when Penguin were self-confident enough to forge fancy book jackets, William Faulkner was the king of those pointed biographies about the orange back, to which every buyer's eye went. There was that way, *Isaac's* photograph, and then (for example) "Taking a night's job as cost heavy in a power plant, Faulkner (born 1897) in 1930) between midnight and 4.0 am without changing a word..."

Fiction

Tornado Pratt
By Paul Alderson
(Collins, £4.95)

Gorilla is about the real thing, *Troglodytes gorilla*, not the metaphorical tycoon variety of primates. Colin Wilcock, producer of natural history films for television, is better on gorillas than he is on human relatives. His book is an odd combination of ecological anthropology and the manner of Gavin Maxwell and sadistic thriller.

It is interesting when it sticks to the ecology of mountain gorillas in a remote, central African state not a million miles from the Congo. Their survival is threatened by Pygmies, poachers, farmers, miners, shady local politicians, and a host of other dangers. The book is a good read, and the pictures are lovely and creditably described from diet to dominance in the family group.

It is the humans who are incredible. Agreed, there is no more savage creature in the forest of the world than man. But it is not necessary to feed so many of them testicles first through a circular saw to make the point. The punches in the plot are telegraphed fifty pages before they arrive. I liked the gorillas; disliked and disbelieved in the guerrillas and other cardboard humans.

Perhaps what we need is a book by gorillas on ecologists. How do you follow the commercial success of a disaster movie called *The Towering Inferno* about skyscrapers people to death in a skyscraper? Easy. You deep-freeze them. Take a nice old American family with the characteristic neuroses of the class, and maroon them in the Rockies above Santa Fe, like the worst of blizzards in living memory. If they seem to be surviving too easily, pile on the agony with frequent avalanches, aircraft crashing, and bad-tempered black bears aroused from hibernation, like the worst of blizzards in living memory. If they seem to be surviving too easily, pile on the agony with frequent avalanches, aircraft crashing, and bad-tempered black bears aroused from hibernation, like the worst of blizzards in living memory.

Wide jurisdiction in interpleader proceedings

BP Bezzin and Petroleum AG and Another v European American Banking Corporation and Others

The court has a wide jurisdiction in interpleader proceedings under Order 17, rule 8 of the Supreme Court Rules. The court has a wide jurisdiction in interpleader proceedings under Order 17, rule 8 of the Supreme Court Rules. The court has a wide jurisdiction in interpleader proceedings under Order 17, rule 8 of the Supreme Court Rules.

Guidance on pleadings

Robert Megarry, Vice-Chancellor, in a statement made in court for the guidance of the profession, said that he strongly deprecated any drafting of a statement of claim which proceeded by way of incorporating some other document which was not served with it, particularly where the incorporation was by reference to a document which was not served with it, particularly where the incorporation was by reference to a document which was not served with it.

Christmas vacation

The courts close for the Christmas vacation. Strains will resume on January 1st.

Queen's Bench Division

Local productivity schemes not against miners' union rules

National Union of Mineworkers (Yorkshire Area) and Others v Gornall and Others

Before Mr Justice Watkins
His Lordship described as a hollow application without foundation in law or equity the application by the Yorkshire, South Wales and Kent areas of the National Union of Mineworkers for interlocutory injunctions to restrain the union's national executive committee from setting up area incentive schemes for mineworkers with the object of increasing productivity.

The three areas, the plaintiffs, sought, under the provisions of the Trade Union Act 1964, an order on the defendants, Mr Joseph Gornall, Kent and South Wales, union president and secretary respectively (sued on their own behalf and on behalf of the members of the national executive committee), the union and the union's national executive committee, to restrain them from negotiating or concluding incentive schemes.

Mr Stuart Shields, QC, and Mr Stephen Sedley for the plaintiffs; Mr Conrad Dehn, QC, Mr T. R. A. Morrison and Mr Michael Baker for the defendants.

MR JUSTICE WATKINS said that the National Union of Mineworkers was a federal trade union composed of 24 constituent members, which were either areas or associations of workmen. Each area or association was a trade union in its own right. The three plaintiffs were such a constituent member of the union.

The plaintiffs applied for interlocutory injunctions in order to bring to an abrupt standstill the activities of constituent members relating to incentive schemes, pending the result of the trial of the action.

The grant of an interlocutory injunction was a discretionary remedy giving temporary relief to a successful applicant. In exercising its discretion the court was not trying the action but was considering whether there was a serious question to be tried, whether the claim was frivolous or vexatious, and whether there was a serious issue to be tried, whether the balance of convenience lay in granting or refusing relief.

The question before the court was whether there was a serious question to be tried, whether the claim was frivolous or vexatious, and whether there was a serious issue to be tried, whether the balance of convenience lay in granting or refusing relief.

The plaintiffs maintained that they were entitled to set up area incentive schemes, a further sum based on productivity.

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40,000 tons; week ended November 19, 46,000 tons; week ended December 17, nearly 53,000 tons. The average daily saleable output, between November 14 and December 10 was 23 per cent higher than the average of the previous 10 weeks. For the week ended, December 17 it was 50 per cent higher and 32 per cent above the highest of those 10 weeks.

Of the 24 constituent members of the union, 12 had set up signing agreements or were on the verge of signing or moving steadily towards doing so. Four pits in North Yorkshire had sent letters to the union requesting a similar agreement and formal approaches had been made by two other pits in the same area. Eight constituent members, including Yorkshire, Kent and South Wales, had not applied to join in the schemes. One was the cokemaking, who had their own productivity scheme, and another was a constituent member most of whose men came within the cokemaking scheme. More than 100,000 men had participated or were, within the relevant period. It would mean going into wage packets on December 23.

The plaintiffs said that if large numbers of pits were to make the schemes, those outside did not outweigh those within by much, and many of them belonged to associated areas and had their own productivity schemes.

Mr Shields contended that the plaintiffs' conduct was contrary to the provisions of the Trade Union Act 1964. The objects included, in rule 3(1), negotiating a national wage agreement with the union, and the British coal industry. His Lordship could see no possibility of a court finding that the national executive committee would act out of accord with the rules if it went on with the schemes. Mr Dehn pointed out that the union had not abandoned its claim to increase the national wage—it still demanded £135 a week as a national wage for all mineworkers.

Mr Shields provided that the government of the union should be by conference, and that in the period between conference the committee should have the authority to conduct business and affairs and perform all duties laid down for it by resolution of conference and to exercise all powers of the committee should not at any time act contrary to, or in defiance of, any resolution of conference.

Rule 36 provided that the area executive committee should supervise and coordinate the action of its branches in the field and should act by the union in all matters of a purely area character, provided that negotiations to arrange area or district agreements should have the approval of the national executive committee. Using these powers the committee had negotiated a national wage agreement with the National Coal Board. It implied that men who took part in it should be paid, in addition to the national wage, an area bonus, and what a roster of achievement for a colonial woman, fallen among English greybeards.

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AN UNBALANCED CRITICISM

Herbert Adelstein, Westminster Correspondent of the *Frankfurter Allgemeine Zeitung*, described Britain, in an article this week, as the weakest link in the Western alliance. It was "almost grotesque," he said, that the British should "strive to play the 'big man' role" in NATO while contributing so little. Even after allowing for some journalistic hyperbole, that is a charge which seems manifestly unjust and needs answering.

We have ourselves criticized Britain's defence effort during the past few years, both in terms of the diminished defence budget and the directions in which resources have been spent. Manpower is stretched to the limit, and sometimes beyond, in all three services, and our capacity for reinforcement in any long or even middling-length war is dangerously low. The introduction of new equipment has been systematically delayed, and in some cases cancelled, with the inevitable result that existing systems are often outdated. In constant need of repair, there have too been cases where bad decisions have led to mediocre performances, and the tale of the L-60 engine in the Chieftain tank is in itself a sorry one.

If in Britain we are conscious of these deficiencies it is not surprising that our allies are too. Nor is it surprising that the Germans are the most concerned. Any apparent falling-off in the level of Britain's contribution gives rise to fears that they, as

our most important European partners, will be asked to bear a larger share of the burden. In other directions too, notably the EEC, they have felt themselves to be unduly put upon. Like the "ugly American" who not so long ago wandered in bewildered round an ungrateful Europe, they have found their patience wearing thin. To this extent Her Adelstein's protest reflects a "general frustration" more than anything else.

But he protests too much. To say that "it is alarming how little England does for NATO" is to forget that we still do quite a lot. We still for instance contribute Western Europe's largest navy, and the only deep water navy of real consequence in NATO after the United States, with nuclear-powered submarines and substantial anti-submarine potential. Nearly three out of every four NATO warships in the Eastern Atlantic belong to the Royal Navy.

The RAF has long been short of modern aircraft, but its shortcomings have been accurately pointed out by the defence of British life. A number of its aircraft are also ageing round the temples, but this should be rectified by the introduction of the Anglo-German-Italian Tornado. It is also worth pointing to the benefits which the German aerospace industry has received by its involvement in such a collaborative project, although the design of both aircraft and

engine has depended heavily upon British expertise.

Moreover, it borders upon the absurd to criticize Britain, as he does, for going it alone in the production of an airborne early warning aircraft. Instead of joining in a joint European programme for the procurement of the American AWACS, Britain's decision to do so was largely prompted by the reluctance of European powers, including West Germany, to commit themselves in other than principle to the joint procurement project.

Nor should the contribution of BAOR be underestimated, or Britain's commitment to NATO's Northern Flank. BAOR has its problems, but it remains a well-motivated, professional force and the maintenance of the 1st British Corps on foreign soil is no small burden on Britain's resources, despite German offset agreements. Britain does after all still devote a larger share of its GNP to defence than does West Germany, however overworked that argument may now sound.

Britain's contribution to NATO is arguably more balanced than that of any other European member, perhaps too balanced in that we try to provide a little of everything and thus make the red line look too thin in any one place. It is salutary to see ourselves as others see us, and it would be foolish to reject criticism when it comes. But we have a right to protest when that criticism seems unbalanced and unfair.

SMALL STEPS IN THE RIGHT DIRECTION

The modest relaxations in exchange controls announced yesterday are just about the least the Government could get away with, though that does not, of course, make them any less welcome. Britain, while not the only EEC country to behave in this way, has consistently dragged its feet on its obligations to liberalize its controls over outward capital investment into other Community countries. This has been fully understandable in the context of our chronic balance of payments deficit. But now that the balance of payments has turned round dramatically, though one could make significant qualifications about the quality of that turnaround, the Government is still treating extremely gingerly. They might have preferred to have done nothing at all had there not been considerable pressure from Brussels for at least some first steps to be taken.

The easing of the very tight existing regulations over the availability of official currency for direct investment in other

EEC countries can hardly be described as particularly generous. But then the EEC is the area when it comes to overseas investment and the alleged "export of jobs" that the UIC has been much concerned about. The concessions over portfolio investment are little more generous. But there has at least been the welcome spin-off that the abolition of the 25 per cent surrender rate on overseas portfolio investment has, for administrative reasons, been extended beyond EEC securities and is to apply on a global basis. The surrender has in effect acted as an additional tax on investors buying overseas securities and greatly impaired the effectiveness of tax incentives for overseas investment by making it less attractive to switch from one stock to another in attempts to improve portfolio performance. This is a good move.

The major question now is whether the Government should contemplate further relaxations of the controls over outward investment in the months ahead. A great deal clearly depends on

the trend in the balance of payments this year and the amount of foreign currency the Government feels it prudent to put away for the substantial overseas debt repayments that fall due over the next few years. Some of these debts could be rolled forward but there must be a strong case for repaying a large part of them and making sure that our net, as opposed to our gross, reserve position is put on a stronger footing.

Even so, it still seems likely that the balance of payments could accommodate an increase in the amount of official exchange made available for overseas investment, at least direct investment in industrial and commercial assets. What is likely to determine the situation one way or the other will be the strength of sterling. If sterling remains reasonably strong, further relaxations of direct investment may be expected; they are certainly desirable.

APARTHEID IN AUSTRALIA?

The views of the Minister-elect for Veterans Affairs in Australia upon South African racial policies were well known to the press and those who consort with him, and his ill-advised gaffe over apartheid, can only prompt surprise that Mr Fraser nominated Senator Sheil for office. Mr Fraser, however, still has to find jobs for members of the Country Party, the dwindling other leg of the traditional Liberal-CP coalition. It is dropping at the polls and Mr Fraser's big majority makes him increasingly independent of it. But the Senator also represents Queensland, which is firmly in the grip of right-wing men and right-wing measures. Mr Fraser needs to work with the states, and has to oblige—even appease—Mr Bjelke-Petersen, the Queensland premier, who is by far the most difficult.

The Senator returns to obscurity. But his point about extending apartheid to the Australian aborigines, if they want it, he carefully added—deserves consideration. The racial balance in Australia and South Africa are of course totally unlike. South African apartheid is intended to restrict citizenship of the blacks, who constitute over 70 per cent of

the population, to only 13 per cent of the land, in order to protect them from becoming a threat to the white minority. By contrast in Australia there are only 50,000 full-blooded aborigines and 100,000 aboriginals of mixed blood in a population of 14 million whites. They have reserves larger in area than the United Kingdom, and one of Mr Whitlam's achievements was to give them full land rights and self-rule in these, as well as a pledge to make the Northern Territory itself a state, in which aborigines would have the predominant vote and voice if they chose to use them.

Australia has made belated amends for its past inhuman treatment of the aboriginal people. But it is almost too late. The remaining tribal aborigines may preserve some of their traditional life style in the reserves, but those in the cities mostly live in appalling conditions, and efforts to rehabilitate them have only succeeded in patches and partially—and Queensland's record is by far the worst. The South African solution, which is to force them all into the reserves, would, besides being inhuman, violate Australia's basic liberties—which South Africans of all races may

well envy. But now even the tribal aborigines face a potentially lethal interference in their cultural privacy if mining rights are granted to the great uranium concerns.

The fact adds to the European and aborigines think, feel, live and survive in different and irreconcilable ways. It has taken a long time for Australians (and not all) to accept aboriginal culture as a wonderful human achievement, not inferior but only different to the European culture which, complete with missionary insensitivity, has almost destroyed it. The world is only newly aware of the debts and obligations it owes to its "primitives", not all of whom require to be upgraded and "developed". If some kind of voluntary self-isolation by the tribal aborigines was possible in an adequate, that is, large, living space, to preserve their primordial way of life, it ought to be accepted, whether labelled apartheid, conservation or "museumization". If the Senator was saying only that, he was not much out of line with current anthropological thinking. South Africa is quite a different business.

Strike by journalists

From Mr Michael Duggan

Sir, Your view, expressed once again in your leading article of December 15, that a closed shop for journalists could pose a threat to press freedom, is one that a reasonable man might conceivably hold.

However, the headline you put on it—"Winning a battle for press freedom"—implies an interpretation of the motives of Westminster Press management on which grave doubts must be cast by the events of the past week.

Throughout the Darlington dispute, Westminster Press has maintained that if the journalists wanted a closed shop to improve wages and conditions, then it was willing to talk about wages and conditions, but would not yield a closed shop because that would threaten press freedom.

In the past few days this position has been put to the test with some disappointing results. In two rounds of talks Westminster Press has made no firm offer which

would bring its journalists wages anywhere near those on comparable newspapers in the North East.

They have even had the gall to offer, as part of the latest proposals, a one off payment of £5 to all journalists if the rebunched papers achieve 91 per cent of their previous circulation, to be followed by a further £5 for each further percentage point up to 110 per cent. That is the kind of value Westminster Press places on the loyalty of the people who work for it. No one has revealed whether the £10 would be repayable if the circulation falls back again.

There is still room for more talks and it is to be hoped that the firm may yet put its money where its mouth is.

Yours faithfully,
MICHAEL DUGGAN,
Father of the Joint Chapels,
Joint Chapels Strike Headquarters,
9 Victoria Road,
County Durham,
December 16.

Everest without oxygen

From Mr Nigel Sitwell

Sir, Your report on Reinhold Messner's adventurous plan to climb Everest without oxygen (December 16) mentions Colonel Norton's achievement in reaching 28,126 feet in 1924. But many of your readers will remember Eric Shipton's 1933 climb when he and Frank Smythe reached nearly 28,000 feet on the north face, without oxygen.

Many of us recall the curious (and perhaps unfair) manner in which he was deprived of the leadership of the ultimately successful first ascent, partly because of his dislike of the fashionable dependence on oxygen.

Eric Shipton, who sadly died in March this year, would be excited by the Messner-Habber plan, and vindicated if it should be successful.

Yours sincerely,
NIGEL SITWELL,
243 King's Road, SW3,
December 16.

Peace talks in the Middle East

From Robert Sidgwick

Sir, It is difficult to understand why in your leader "Mr Begin makes his move" (December 19) you write that "negotiations between Israel and Egypt are now running like a fast train towards an unpredictable destination". This destination is predictable enough. It is a complete peace between Israel and her neighbours, including Arab countries. Should Syria and other Arab countries accept this proposal for peace which Egypt itself just will make peace on her own in the knowledge that the others will ultimately follow suit.

Whatever the leader writer of *The Times* may feel about the acceptability of Begin's peace offer, the PLO or the PLO's rejectionist regard Sadat's peace initiative, the fact remains that Israel and Egypt have decided to make peace and under the leadership of Sadat and Begin, nothing is likely to stop it. Egypt itself just will make peace on her own in the knowledge that the others will ultimately follow suit.

Some of the accusations are so gross and malicious that I find it disturbing reflection on the quality of an erstwhile serious newspaper. However we live in an age when tyrannical and bloody dictators are advertised as men of peace. The *Times* has advertised a terrible tyrant, Kim Il Sung, as a peace-loving man, as a respectable political leader.

Now assuming there are no gross and malicious accusations, the UN Secretary-General, Mr U Thant, is a peace-loving man, as a respectable political leader. I am not surprised that *The Times* could not raise its standards to deal with a far more exciting and interesting phenomenon—the Return of the Christ, the appearance of the Lord of the Second Advent.

This remarkable day is described in the Bible as a great and terrible day. As it is the day of the son of man, they did eat, they drank, they married wives, they were given in marriage, they were not given in marriage. Only the pure in heart shall see God, and there shall be that purify in the Fire of the Holy Spirit.

Turning back to these days of glory for God, it says Satan will be loosed upon the Earth. Promiscuity and permissiveness and violence will cover the Earth as in the days preceding Noah. Those standing against the trendy fifties, the sexy sixties and now the savage seventies will surely be mocked. Man is clearly against the Lord. The Church led by Sun Myung Moon stands resolutely against evil, gentle in heart, but fiercely determined not to be found wanting in these end days. It is the mission of all Christians to build His Kingdom on the Earth. Shall we be found doing this when Christ returns? "Lead us not into temptation." Perhaps we are building a world of temptation to ourselves.

The Unification Church is in the tradition of revealed religion and in particular Christianity. Its tenets are revealed in the Divine Principle by Sun Myung Moon and are of public opinion, personal preference or theological belief. Either God has appointed him or not. When Jesus questioned his own disciples on this point only Peter could answer satisfactorily. (Matthew xvi, 16). It is just as likely that many Christians will not know the time of their visitation. In the days of the prophets it was just the same, they were stoned and rejected.

This last year 35 theologians and 160 scholars of the American Theological Seminary, where incidentally all the major denominations are represented on the teaching faculty.

There is only sadness that *The Times* could not see and could not report other than its own inquiry.

DENNIS F. ORME, Director,
Unification Church,
43, 44, Lancaster Gate, W2,
December 20.

Activities of the Unification Church

From Mr Dennis F. Orme

Sir, The recent set of articles by Diana Parr on the Unification Church and Sun Myung Moon leaves much to be desired. According to our initial analysis there are 21 factual errors, 43 errors of distortion and 18 errors of malicious distortion. This gives a grand total of 72 out of 200 sentences of comment or description that are untrue, misleading or distorted. This gives a ratio of bias of one dishonesty per 2.7 sentences. Unfortunate that this represents a consistent and high degree of bias. We are not talking about one or two mistakes in an otherwise reasonably and accurate article.

Some of the accusations are so gross and malicious that I find it disturbing reflection on the quality of an erstwhile serious newspaper. However we live in an age when tyrannical and bloody dictators are advertised as men of peace. The *Times* has advertised a terrible tyrant, Kim Il Sung, as a peace-loving man, as a respectable political leader.

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DENNIS F. ORME, Director,
Unification Church,
43, 44, Lancaster Gate, W2,
December 20.

Future of the Moors murderers

From the Chairman of the Parole Board

Sir, The article by Mr Bernard Levin in today's (December 21) issue of *The Times* seems likely to add to the confusion about the future treatment of the Moors murderers. Since this may in part derive from some rather untidy reporting of my answers to questions at a press conference in Newcastle last October, I feel some obligation to make the facts clear.

Neither Miss Hindley nor Mr Brady will be formally reviewed next year to decide whether they may be released on licence—in other words, their cases will not in 1978 go through the standard process which begins with consideration by the Local Review Committee in the prison, and includes an interview with a member of that committee if the prisoners so wish. All that will happen next year is that the joint committee of Parole Board and Home Office representatives which recommends the timing of reviews for all life sentence prisoners will consider whether the time is ripe to fix a date for a formal review for Miss Hindley and Mr Brady. Yours faithfully,
LOUIS PETCH, Chairman,
Parole Board,
Queen Anne's Gate, SW1,
December 21.

From the Secretary of the Methodist Conference

Sir, Mr Bernard Levin's article today (December 21) about whether Myra Hindley and Ian Brady should be released on parole is full of logic and sound sense. What, however, in the final paragraph he complains about the silence of Church leaders on the subject his argument fails on a little.

It is indeed true that Christians believe that repentance and salvation are open to even the worst of sinners. But the argument to which Mr Levin objects, namely that Mr Hindley never can purge her sin, itself springs directly from Christian teaching. None of us sinners can save ourselves, only Christ can. Lord Longford has spoken out strongly but, Mr Levin asserts, he only represents "lay opinion". Why should it be assumed, however, that it is only appropriate for high placed clerics to speak up for Christians? In all the Churches, leadership is shared by ordained and lay Christians.

It may be fairly assumed that "Archbishops and Cardinals" and their fellow leaders in the other Churches spend much of their time arguing up or down Christianity. But a Christian judgment depends not only on the faith of the one who makes it, but also on his grasp of the facts relating to the matter under discussion. The matter under discussion is Mr Levin's article is the propriety of releasing two people who committed atrocious crimes. It is entirely appropriate for any Christian to say that this should be done if the persons concerned have been transformed to the degree that they can safely rejoin society. If the transformation is real, Christians will see it as the work of the Holy Spirit, even though the fact may be neither recognized nor acknowledged by others. It is equally appropriate to use that fact of ignorance and emotive public reactions should not deter those who have the responsibility of deciding. If that is what Mr Levin wants to hear, churchmen saying that for one man to be heard saying it.

But when it comes to making the actual decision the burden rests with those who have to assess the known facts about the present characters of the persons concerned. We should be mindful of the responsibilities we place on the shoulders of others, and grateful to Mr Levin for trying to ensure that their task is not made impossible by ill-founded attitudes in society which find no room for mercy or the possibility of redemption.

Yours sincerely,
KENNETH G. GREET,
Secretary of the Methodist Conference,
1 Central Buildings,
Westminster, SW1,
December 21.

From the Chief Master of King Edward's School, Birmingham

Sir, The Bishop of Norwich records a notable record of three sitting Bishops from Monkton Combe School, King Edward's School, almost complete. E. W. Benson became Bishop of Exeter in 1877 and was Archbishop of Canterbury from 1882 to 1896; J. B. Lightfoot was Bishop of Durham from 1879 to 1889; E. P. Westcott refused the see of Lincoln in 1885 and of Norwich in 1889 but finally succumbed and accepted Durham in 1890.

Queen Victoria wanted Lightfoot to move to London but Lord Salisbury refused to approve the translation on the grounds "not only of his recent promotion but a much more serious one, arising from the Socialist tendency of the speeches he has made since he became a Bishop".

What I dare to suggest may be unique about our three Bishops is that they were all boys at King Edward's at the same time.

Yours faithfully,
F. G. FISHER,
King Edward's School,
Birmingham.

The courteous gull

From Mr James Lawley

Sir, With reference to Mr Dawson's letter of December 7, I'd like to say that, having watched gulls for years flying on and off the rugby posts on the school playing fields by our house, and having frequently seen them make unsuccessful attempts to dislodge incumbent birds, I must presume that either gulls in Birmingham are rather more uncouth than their London counterparts or that the etiquette required for a flagpole does not apply to a rugby post.

Yours sincerely,
JAMES LAWLEY,
12 Chamberlain Road,
King's Heath,
Birmingham.

Observer's appointment

From Mr John Torode

Sir, One of our leading national newspapers has just been placed under the editorial control of an "Observer" (the fact that he is an attractive, intellectually stimulating, foreign politician is neither here nor there). His appointment follows the purchase of a controlling interest in that paper by an American-owned, oil-based, multinational A.M.I. owned, in thinking that a dangerous and disturbing precedent has been set.

JOHN TORODE,
109 Whitefield Street, W1,
December 20.

The way we vote

From Miss Enid Lakeman

Sir, George Rathjans (December 17) (and presumably Mrs. Durrant) wants to prevent extremists from winning the vote by means of a "closed shop" for their present support. So, what does he propose? To tie to our existing electoral system, which, if the extremists reach, say, the present level of support of the SNP, will give them a large majority of seats.

Yours faithfully,
ENID LAKEMAN, Director,
The Electoral Reform Society,
5 Chancery Street,
Southwark, SE1,
December 19.

Motorway inquiries

From Mr Paul Sieghart

Sir, In your issue for December 10, you published a report of a decision of the High Court in a case called *Bushell v Secretary of State for the Environment*.

The gist of that decision is that the rules of natural justice do not apply to a public inquiry into a road scheme proposed by a Minister, such as a motorway, on the grounds that the scheme is one promoted by someone else, such as a local authority. In particular, where the scheme is the Department's own, the Department may put in evidence documents about crucial issues, and prevent anyone from challenging that hearsay evidence, by the simple expedient of failing to call any witness who could be cross-examined about it; and the Minister, when deciding whether to go ahead with the scheme after the public inquiry, may take into account matters which were never put before the inquiry, and so could not be challenged or commented on by objectors.

I do not suppose I am alone in finding myself startled by that decision. In law, it must be either right or wrong. If it is wrong, the remedy would lie in the Court of Appeal.

But as the objectors lost, they will have to pay not only their own costs, but those of the Department too. I understand that they will therefore not be able to pay for an appeal, and so the decision will go up into the books and be treated as good law. Accordingly, the Department's Road Construction Units will henceforth be perfectly free to choose what evidence (right, wrong or dubious) they do or do not put before a public inquiry into one of their own schemes, and what other material (of like quality) they put before their Minister, in secret, after the inquiry is over and before he makes his decision.

On December 6, 1975, you were good enough to publish a letter of mine in which I said that it was no wonder that most objectors, even those regarded as "unreasonable" as an expensive farce. It is too much to hope that, now that the High Court has endorsed their view, Parliament will at last be impelled to do something about it? If it does not, one can hardly expect the citizens to go on believing for much longer in just administration under law.

Yours, etc
PAUL SIEGHART,
6 Gray's Inn Square, WC1,
December 20.

Bus services

From Mrs I. S. Jacobs

Sir, The assumption by the Chief Executive of the National Bus Company is that competition would be a bad thing (*The Times*, December 10). But would it? I remember the days when Thomas Tilling & Co competed with the London General Omnibus Co and the good humour of London bus drivers and conductors was proverbial. Whereas, now, it is a pity to see the conductors so harassed by the not untypical incident, which left about a dozen people waiting to board a No 13 bus in the bus yard at Golders Green, London, with the impression that we were the victims of a spiteful joke.

At about 11.20 am on Thursday, December 8, three or four unattended No 13 buses are standing in the neighbourhood of the pavement bearing the standard labelled 13. Some of the waiting passengers seat themselves in the bus nearest the pavement and the standard. Others form a ragged queue and, if anyone wearing London Transport uniform passes near, ask him which is the next bus due out, to be answered, if at all, with a "don't know".

I would cite the following: "I was standing in the queue, and a 'don't know' was said to me."

Bus services

Suddenly, some of us become aware that a driver (presumably accompanied by a conductor) has materialized and pulled himself rapidly into the driving seat of a No 13 standing in the second row of buses at some distance from the bus stop. Some of us try to make our way in his direction. But few of us are sufficiently mobile. I myself have arthritis. Swiftly the driver pulls away and the No 13 bus sails out of the yard, almost empty.

Yours faithfully,
ISABEL S. JACOBS,
27 Assmans Hill, NW11,
December 20.

Diplomatic standards

From Lord Greenhill of Harrow

Sir, I am afraid that Sir K. Berill's Think Tank will consider Sir David Hunt's record in BBC's *Mastermind* as further evidence that the Diplomatic Service does work "to an unjustifiably high standard".

Yours,
GREENHILL OF HARROW,
House of Lords,
December 21.

John Foord
CHARTERED
SURVEYORSJohn Foord
PLANT AND
MACHINERY
VALUERS

Opec failure to agree on new prices results in standstill for time being

From Roger Vielvoys
Caracas, Dec 21

The world's leading oil exporting countries failed to agree on new prices for crude oil next year and in most countries 1977 price levels could continue for at least another six months.

Mr. Ali Jaidah, secretary general of the Organization of Petroleum Exporting Countries (Opec) said after the third and final ministerial session, that member countries were unable to reach a common consensus on oil prices.

The next opportunity to discuss prices will be at the meeting scheduled for June 15 but there is a possibility of a special session being called within the first three months of next year at which the whole question of prices would be reopened.

Postponement of a decision in fact is a thinly disguised victory for Saudi Arabia, Iran, Abu Dhabi, and Qatar, who went to the conference seeking an extension of 1977 prices into 1978.

Postponing the decision saves the conference from the embarrassment of rejecting outright proposals from Senegal, Congo, and Algeria, which were President, for a 5 to 6 per cent price rise, the proceeds of which would be given for one year to help pay off some of the Third World debt.

Postponement also leaves the countries that wanted an increase free to adjust their prices.

However, in the current world oil glut, most Opec sources feel that any member would find it difficult to increase its prices.

Mr. Jaidah, asked if the conference had sought assurances from the buyers led by Iraq, Algeria and Libya, that they would not increase prices, he said: "We have an agreement not to disagree."

He added that no time limit had been set on the price freeze. Until the conference decided to meet again, the 1977 prices, based on Arabian market crude at \$12.70 (about \$6.75 a barrel) would continue.

The conference decision must be seen as a rebuff for the initiative on Third World aid taken by President Perez. By presenting his proposals in the official opening speech he put considerable pressure on the delegates which was followed by a round of intensive lobbying.

Before the decision was announced President Perez said he was resigning to a decision on his proposals.

He was now hoping to convene a special meeting of Opec heads of state during the first quarter of next year. This meeting would debate the principle of giving aid to the Third World through a surcharge on oil prices.

A final decision could then be taken at the next summer meeting.

Mr. Jaidah said member countries would consult among themselves on the President's proposals with a view to making a new approach towards strengthening the solidarity among Opec and Third World governments in establishing a new economic order.

The conference was extremely disappointed with the lack of progress on establishing the common fund for commodities despite the real commitment made by the developed countries during the North-South dialogue in Paris, he said.

The meeting had reaffirmed full support, including financial contributions, towards an early establishment of the integrated programme for commodities.

To complete the lack of agreement at the conference, no agreement was reached on the relative value of heavy crude oil in the Gulf states.

A steering committee was formed at the Stockholm meeting in July to tackle this imbalance and it has now been decided that it will meet again early next year in yet another attempt to reach a revised price structure.

American deals with British razor blade and match group US set to control Wilkinson

By Nicholas Hirst

The American specialty steel group, Allegheny, is expected to acquire Wilkinson, the British razor blade and match group, without making a general offer for the shares.

Earlier this week Allegheny, a large United States group with sales of \$88m (£49.4m), bought a 23 per cent stake in Wilkinson, the British razor blade and match group, without making a general offer for the shares.

This size of the holding, being just below the level at which the British Takeover Code triggers a general offer, gave Wilkinson the control of the company.

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ment by a vote at a general meeting where Allegheny would be dissatisfied. The meeting is expected to take place in February.

Details of the size of the assets and the earnings of True Temper, the American company, which is being acquired, have not been made available, but Mr. Chris Lewington, Wilkinson Match's managing director, said the deal should result in an increase in earnings per share without any dilution of assets.

This would mean that True Temper, the world's largest producer of garden tools, must have net assets approaching £20m.

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Match, one of whom will be Mr. Bob Buckley, president and chief executive officer of Allegheny. Swedish Match which retains a holding of nearly 4 per cent in the British group, will also continue to have a representative.

As well as producing garden tools True Temper, which Wilkinson Match has wished to buy for some time but has been short of the financial power to do so, has a worldwide reputation for golf club shafts and wood golf heads, and is a big producer of metal tennis racket frames.

Through its recent acquisition of Chemtron, Allegheny has moved into the fire protection business as a major supplier of extinguishers to the aviation and military industries.

Mr. Lewington said Wilkinson Match would benefit strongly from Allegheny's presence in these fields.

The deal is likely to be looked at closely by the Monopolies Commission. The merger between Wilkinson Sword and British Match four years ago was one of the few to have gone ahead after a full Monopolies investigation.

This time, however, there is the possibility of control of the only United Kingdom maker of razor blades and a monopoly supplier of matches passing overseas.

Two directors of Allegheny Ludlum will be invited to join the board of Wilkinson Match.

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£1.5m court ruling goes against Mr Stern

Keyser Ullmann, the merchant bank, yesterday won its High Court claim for £1.5m against Mr. William Stern.

Mr. Justice Talbot rejected the American-born businessman's claim that he was not liable for one of his company's debts to Ullmann—but granted him a five-week stay on execution of the judgment to file notice of appeal.

The stay was granted on condition that he brings £25,000 into court within seven days in part-payment of the Keyser Ullmann claim.

Mr. Stern, of Albert Court, Prince Consort Road, South Kensington, London, was not in court to hear the judge's ruling.

Mr. Lionel Swift, QC for the bankers, originally demanded that Mr. Stern, whose property empire collapsed three years ago, bring £50,000 into court, pending a possible appeal.

But Mr. Stern's counsel, Mr. Muir Hunter, QC, protested: "He must have time in which to take a few shakels together."

To order Mr. Stern to find £50,000 immediately would rob him of the chance to appeal and expose him to bankruptcy proceedings.

The bankers' claim arose out of a personal guarantee given by Mr. Stern in 1973 in respect of cash owing by one of his companies, Magnum Hotel (Manchester).

Mr. Stern admitted the guarantee but claimed the debt was unenforceable against him because of a scheme of arrangement between the Stern Group and its creditors, approved by a judge in 1975.

The scheme proposed a three-year moratorium on the enforcement of debts, during which time the affairs of the scheme companies would be administered by Mr. Kenneth Cork, accountant, under the supervision of a committee of creditors.

But the bankers contended that Mr. Stern had been many months of creditors after the scheme's approval, some of which were attended by Mr. Stern, who in effect had assumed the liability under the guarantee was affected.

Mr. Justice Talbot accepted that there was nothing in the scheme which curtailed the bankers' rights under the guarantee.

Mr. Stern's claim did not absolve Mr. Stern from his obligations or postpone his obligations until the end of the moratorium next July. He remained liable under the guarantee, the judge ruled.

The scheme was designed to bring about the orderly discharge of debts.

"I am entitled to say that the plaintiffs cannot be taken to have given up their claim, even temporarily," the judge said.

Keyser Ullmann's total claim was for £1,558,791. This figure included interest.

Mr. Stern was ordered to pay the costs of the action, which were estimated at £10,000 to £15,000.

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Power price report sent to Minister

By Derek Harris

First report by the new Price Commission on an investigation of a price increase during which prices can be frozen and an increase delayed for 12 months, went yesterday to Mr. Hattersley, Secretary of State for Prices and Consumer Protection.

It was an investigation into higher charges by the Central Electricity Generating Board for bulk supply tariffs to the area electricity boards in England and Wales. The increases were caused by higher fuel costs for power generation which are automatically passed to the consumer.

The Commission has been looking at CEGB costs and the sort of prices it faces from its suppliers including the National Coal Board. The coal board, like British Steel, comes directly under Community regulations and escape direct surveillance by Mr. Hattersley's price regulation machinery.

The Commission has also been investigating proposed increases in quarterly domestic electricity tariffs by the electricity boards because of the fuel cost adjustments.

Mr. Hattersley expects the report on the area board rates at the end of the month. He then has a month in which to decide whether to act on any recommendations made by the Commission after an investigation.

The area boards have already been allowed to put through the fuel increases originally proposed.

City hails abolition of surrender rule

By Ray Maughan

The success of the City's long campaign for the abolition of the 25 per cent surrender rule on the dollar premium was scarcely reflected in this Christmas trading on the stock market yesterday.

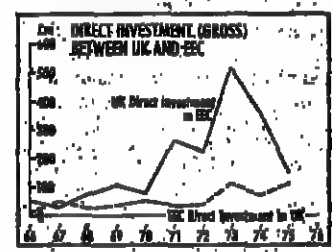
Leading shares recovered from a dull but mostly steady narrow-based rally, the FT index edged up only 0.4 to 480.0. The dollar premium's effective rate, climbed from 38.5 per cent to 39.37 per cent.

The four major United Kingdom mining houses came under selling pressure as Counselor Gold Fields dropped 10p to 151p, and Charter Consolidated 4p to 126p. Investors took the view that, while the mining houses had been the cheapest way into gold, the surrender rule, which investors would now prefer to buy directly into the South African gold mines themselves.

But, while the market delayed any positive reaction to abolition, fund managers and brokers were almost universally pleased.

The Treasury's decision was described as "excellent" by Mr. Nicholas Goodson, chairman of the Stock Exchange, who said: "It goes a long way towards restoring London's position as a major capital market of the world."

Mr. Peter Willis, a member of the Stock Exchange Council and a partner of the broking firm of Shephards & Chase, said the move may also enable London



to reestablish its preeminence in the South African gold market.

Mr. David LeRoy-Lewis, chairman of Anglo & Lombard, a leading jobbing house, yesterday said his company was considering making a book in South African shares. Shortly before its merger with Anglo & Lombard, LeRoy-Lewis had ceased trading in the gold market.

Mr. Anthony Lewis, chairman of the jobbing firm of Smith Brothers and the only London firm now making a book in South African mining shares, said he was "naturally delighted" by abolition although he found it difficult to assess its immediate impact.

He felt, however, that "London's competitive position in international securities markets would be restored."

His views on increased flexibility and switching opportunities, were reflected by Mr. Philip Sheelomo of the Drayton, stable of investment trusts.

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Japanese sights on 7 per cent growth

By Caroline Atkinson

Japan is aiming for a 7 per cent growth rate in 1978-79 and a cut in the current account surplus from this year's expected outcome of \$10,000m to \$6,000m.

A special Cabinet meeting yesterday morning approved these figures, which were prepared by the Economic Planning Agency (EPA) in Tokyo.

The Government's budget for next year has not been completed, although ministers yesterday said that public spending would be cut to bring growth up to the target figure.

Recent private forecasts have been sceptical of the Japanese government's ability to achieve a 7 per cent output growth next year.

Strong pressure from the Americans, in the recent negotiations with the Japanese, contributed to the formulation of the 7 per cent target.

This year's original target was for a 6.7 per cent growth rate, but was revised down to 6.5 per cent.

A far sterner revision has occurred on the trade figures. Japan's deficit estimates were for a \$700m deficit on the current account, this year.

It is the Japanese trade partnership, which has been particularly upset by the rest of the industrialized world this year. The government now seems to have recognized that it must boost domestic demand, rather than rely on growth through exports.

Mr. Nobukazu Ushiba, the Minister for External Affairs, said that the world was waiting to see if Japan could achieve a growth rate of 7 per cent.

Government action to stimulate domestic growth through investment in the infrastructure, and other spending, would be desirable. The draft budget outlining the measures will be submitted to the Cabinet tomorrow and published around the end of the year.

Yesterday's national accounts showed growth in 1978-79 is put at 7 per cent and import growth at 13 per cent. The visible trade deficit is estimated at \$13,500m.

The main changes in personal income movements, effecting who are emigrating to EEC countries and those making gifts or paying dowries to those countries. The amount that can be taken in the first instance on emigration is to be doubled to £80,000 per family unit.

The cash gift allowance goes up from £1,500 to £3,000 annually per donor per year. A dowry payable by a parent increases from £3,000 to £7,500. Regulations affecting non-EEC territories remain unchanged.

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ICI Fibres' profit hope looks nearer £12m loss

By Peter Hill

ICI's Fibres operations are expected to show a loss of between £10m-£15m this year, instead of breaking even, as the company had hoped.

Mr. John Harvey-Jones, main board director responsible for fibre products, said yesterday that losses by the European man-made fibres industry were likely to amount to £500m this year compared with £350m last year. In a note to employees he said this would bring losses back to the same level as in 1975.

ICI had a deficit of £30m on its fibre operations two years ago. Last year it managed to reduce the loss to £11m, but had hoped to break even in the current year. The European industry is suffering from poor demand, overcapacity and imports from low-cost countries.

In four years ICI has reduced its workforce in the United Kingdom and in Europe to 15,000 from 22,000, and several of its less economic production plants have been closed.

The fibres sector, and the textile and clothing industries in Europe are basing their hopes on a return to better market conditions on the renewed GATT Multi-Fibre Arrangement, signed on Tuesday and designed to rationalize development of trade between the developed and the less developed countries.

New Leyland Cars panel set up to decide on competitive product line

By Clifford Webb

Another review panel has been set up to study the various organizational options open to Leyland Cars, and to recommend a product line which is competitive and economic.

The panel, seven strong and led by Mr. Pat Lowry, the corporate director in charge of personnel and administration, began work just over a week ago. It has been asked to report to Mr. Michael Edwards, the new chairman, in two months.

News of the panel's establishment has done nothing to dampen rumours that Leyland may shelve its controversial new Mini project—the ADO 88—to make way for a more profitable range of medium family saloons. There have been suggestions that the project has already been mothballed pending receipt of Mr. Lowry's recommendations.

Leyland denies this. A spokesman said: "No policy decision has been made to stop work on the new Mini. It is going ahead."

Equipment manufacturers, worried about the possible loss of contracts worth many millions of pounds, have not been completely reassured by the denial. They point out that if the Mini project is shelved, the state-controlled motor group could be involved in substantial penalty payments to them.



Mr. David Andrews, strong advocate of medium-range saloons.

The key question of which cars Leyland should build to restore its fortunes has been complicated by the appointment of two further product review teams, both headed by Mr. David Andrews, newly promoted to succeed the departing Mr. Alex Park as an executive vice-chairman.

Mr. Andrews, until recently managing director of Leyland International, is known to be a strong advocate of LC10, 11 and 12 (the new medium saloons

replacements) as a counter to Ford's best selling Cortina.

This is also the choice of many Leyland dealers, who are gloomy about prospects during the next two years when they will be fighting a rearguard action with an aging product line. Welcome as the new Mini would be in late 1979, they would prefer a larger car to appeal to fleet, company and professional people who account for nearly two thirds of the market.

It is also reliably reported that a recent clinic—a secret showing to selected motorists—produced adverse reaction to some aspects of the new Mini's appearance; this could lead to changes in some body panels.

An expensive compromise could be a decision to advance LC10 launch date—reported to be 1981 to early 1980—the appearance of two new models within months of each other would place Leyland's engineering facilities under enormous strain. It is already short of production engineers.

It could arguably undertake such a major dual programme by subcontracting a substantial share of the work. This has already been mooted by management in talks with shop steward members of the company's participation machinery.

The latest bout of indecision is again undermining morale in Leyland Cars and feeding the industry's grapevine with wild rumours.

Survey sees threat to industry's image

By Edward Townsend

Potential customers for British cars at home and abroad are becoming increasingly wary of the goods on offer, according to a report on the industry, published yesterday. There is a very real danger of the industry's image being damaged on a medium to long term basis, it states.

The survey, in the latest issue of *Motor Business* published by The Economist Intelligence Unit, adds: "This

is an extremely dangerous development because the intangible substance of a good image is a critical ingredient in the product requirement. This is all the more regrettable because, by and large, the industry does an honest enough job."

Car manufacturers, the report says, is "a hideously complex operation" and its troubles are not the monopoly of Britain's manufacturers; "it is just that Britain currently appears to be doing a more comprehensive

job marketing the news of its problems to the world."

The journal says that if the industry's earlier promise is to be fulfilled 1978 must witness the beginnings of solid progress towards solving the fundamental weaknesses.

The survey forecasts that new registrations of cars in the United Kingdom next year will rise by 6.5 per cent to 1,420,000, with imports accounting for 50 per cent. Ford is predicted to lead the market leader in at least until 1980.

Bonn agrees terms of rescue for VFW plant

The West German Cabinet today agreed on the final details of the plan to rescue VFW-Fokker, the Dutch-West German aircraft group, from bankruptcy.

VFW-Fokker is in a financial crisis because of the commercial failure of the VFW 614, a twin jet short haul airliner seating 44 people.

Herr Martin Grüner, a secretary of state at the Bonn economics ministry, told a press conference today that the entire project had cost around DM1,000m (£275m).

To restructure the company, Bonn and the state of Bremen will pay back DM280m of credits taken up by the company but guaranteed by the two governments. In addition the Federal Government will give the company DM110m in cash, which will only have to be repaid when VFW-Fokker returns to profitability.

A further guarantee line of \$150m is to be provided for the company's future operations by the Bonn Government and the governments of Lower Saxony and Bremen.

In return, VFW-Fokker will have to surrender virtually all its capital and reserves to help to meet the company's commitments. The VFW 614 project will be ended this year and Bonn expects changes to be made at the top level of the group's management.

Scrapping of the VFW 614, of which Herr Grüner said only 10 had been sold, will result in the loss of about 1,100 jobs. Some 600 people at VFW-Fokker's Bremen works will be dismissed and 500 jobs will be lost at the company's Speyer plant in Rhineland-Palatinate.

As the Cabinet was meeting about 1,500 workers held a demonstration in the Bonn works and some 600 employees from Bremen demonstrated outside the Chancellery in Bonn.

Herr Grüner said the Bonn Defence Ministry intends to place new orders with the group to help to ease the cancellation of the 614 project. The Bonn Government also hopes that France will shortly place an order for 25 Franco-German Trans aircraft.

The group will benefit from this order. The company should also benefit from the increased demand for the European Airbus, which it helps to build.

For the time being, VFW-Fokker could again be operating at a profit by 1979, Herr Grüner said.

Economist urges bid system for N Sea blocks

By Our Industrial Correspondent

A relaxation of government controls in the development of Britain's offshore oil and gas reserves was urged yesterday by Professor Robinson, professor of Economics at the University of Surrey.

Professor Robinson saw no special case for the amount of central regulation which already existed and still less for increasing controls. It was not enough for Ministers to talk of "national interest".

Outlining measures that could be deployed to increase the efficiency of the oil and gas sector, Professor Robinson said the North Sea licence allocation system should be changed from award at government discretion to competitive bidding.

The petroleum revenue tax could be abandoned. The auction system for licences, in the absence of collusion would remove rent from the North Sea producers and give the Government an objective of maintaining competition among the bidders.

Writing in the latest issue of the oil quarterly published by Grievson, Grant, he said powers on the depletion of oil and gas reserves needed to be modified. The detailed depletion control system, which introduced so much uncertainty and placed so much power in Ministers' hands, seemed largely unnecessary, "if not positively dangerous".

UK takes up all £150m of regional aid quota

In brief

After the latest allocation for the European Regional Development Fund, Britain has now taken up its total quota of £150.37m covering the period 1975-77. The Department of Industry announced last night.

The largest single regional recipient has been the north, which has received contributions totalling £44.38m, followed by Scotland with a total of £39.3m.

November crude steel production in the 29 countries belonging to the EC, International Iron and Steel Institute (IISI), totalled 35,381,000 metric tons. This was down 3.9 per cent from October, and compared with a year ago. In the first 11 months of 1977, output was 3 per cent down on a year-to-year basis. The 3 per cent overall decline in the 11 months was mainly the result of a 6 per cent decline in EEC crude steel production and a 3.6 per cent drop in United States production, the Institute said.

BP and Brazil sign second offshore pact

A second Brazilian offshore exploration contract, covering two blocks of 1,061 square miles each, has been signed by BP with Petrobras, the Brazilian state oil group. The first contract was signed in late 1976 and drilling began two weeks ago. Both agreements are on a risk contract basis.

Community jobless total unchanged

The number of people unemployed in the European Community at the end of November was nearly six million, little changed from the two preceding months.

Business appointments

Royal Insurance's new group director

Mr J. Roy Nicholas, the Royal Insurance Group's chief executive in the United States, has been named as the new group director of the Royal, The Liverpool & London & Globe and The London & Lancashire Assurance Companies from January 1.

Mr Frederick Waterhouse, chief accountant of the plant protection division of Imperial Chemical Industries, will join the Post Office in February on a three-year secondment as member for finance and corporate planning.

Mr Gavin Morton has been made deputy chairman of Blackwood Morton & Sons (Holdings) and Mr Geoffrey Kneen becomes a director. Mr L. M. Arnold and Mr F. Nichols join the board of Blackwood Morton and Sons.

Mr C. J. Daniels has become a director and chairman of Mills and Allen (Holdings). Mr S. C. F. Allen has resigned.

The following changes have been made by Morgan Grenfell, to make effect from January: Mr G. M. Magan to be a director of Morgan Grenfell; Mr J. Q. Davies, Mr G. Dryden, Mr A. H. Dunn, Mr D. E. Gallagher and Mr J. C. Smith, directors of Morgan Grenfell International; Mr M. J. Meyrick, director of Morgan Grenfell Investments; Mr D. W. Wells, director of Morgan Grenfell Finance.

Mr W. E. K. Grisewood, formerly managing director and chairman of Conoco, has joined the board of Morgan Grenfell. Mr John Greenborough is to be the new president of the Confederation of British Industry. He succeeds Lord Winterton from January. Mr Greenborough is deputy chairman and managing director of Shell UK.

Mr W. G. Brown and Mr B. R. Wilden have been made joint managing directors of Gill and Duffus Ltd. Mr R. J. Thorne

World steel output still declining

The seasonally adjusted figures showed no significant changes, the Community Statistics Office reported yesterday.

Unemployment in the Community as a whole was 5.7 per cent on a temporary basis—up from a revised 5.6 per cent in October. In November, 1976, the level stood at 5.1 per cent.

Strong improvement in aluminium production

The International Primary Aluminium Institute yesterday reported that production by its members—and corresponding consumption in November—totalled 933,000 tonnes, from 859,900 tonnes a year earlier.

Monthly production totals this year were lower in February at 842,000 tonnes and highest in October at 954,000 tonnes (revised).

3 pc economic growth forecast for next year

Economic growth next year of 3 per cent is forecast in the latest edition of the monthly *Economic Outlook* produced by the London Business School. Much of this growth will be concentrated in the early part of the year, it says, when a sharp increase in personal income will fuel a short-lived consumer boom.

In the second half of the year consumers' expenditure is expected to show only a modest increase as inflationary pressures subside, which will be offset by a higher level of fixed investment.

LETTERS TO THE EDITOR

Need to save the Common Fund

From Dr Jeremy Bray MP for Motherwell and Wishaw (Labour)

Sir, The suspension of the United Nations Conference on the Common Fund for commodity stabilization calls for sober reflection on the prospects for world trade and development. The Group of 77 developing countries proposed that governments should contribute directly to the Common Fund, which should be able to finance and initiate mainly but not exclusively other commodity related schemes.

Faced with a united front from developing countries, the industrial countries put forward a proposal for the limited pooling of funds by independently negotiated international commodity agreements, with the fund's operations governed by precise statutory rules which should be applied automatically. The developing countries claimed on the other hand a decisive role in the management of the fund.

Four weeks' negotiations produced only deadlock. The industrial countries, felt the Group of 77 had made no response to their concessions, while the Group of 77 felt the industrial countries had not offered the essential features of a Common Fund—namely independent finance, initiative, and scope for wider actions. Britain, the United States and Germany were the hard liners among industrial countries, reversing the role we had previously played in the Jamaica Commonwealth Conference and previously in support of developing country aspirations.

British ministers seem to believe that the United States Congress would never ratify the Group of 77 proposal, and that Germany is so hostile it has to avoid isolation. They further seem to believe that the Group of 77 is a fragile alliance, and it is only their Geneva representatives and not their gov-

ernments who are interested in the Common Fund: a little more progress with individual commodity agreements and pressures for a Common Fund will evaporate.

This seems to me a grave miscalculation. First the technical case for a Common Fund needs to be understood. A commodity stabilization scheme will produce a better result if it operates simultaneously with other schemes. The industrial countries have not seen the wood for the trees: they have approached the negotiations at a rather low technical level, both in their conception of the design of individual schemes, and in the analysis of their interaction with their own industrial economies. It is a difficult field certainly, but that only makes it the more important to support individual commodity negotiations with much better staff work than they have commanded or can command individually.

The Group of 77 rightly feel they are up against political rather than technical objections from industrial countries, but they will not shift those political objections without deploying the technical strength of their case. The Group of 77 have argued that there must be criteria for loans from the Common Fund, and that subscriptions to the Common Fund. This allows a greater flexibility than the rigid and conservative ratio of one to three of borrowing rights to deposits from individual commodity schemes, proposed by the industrial countries. But it needs to be given more precision. The Group of 77 have felt that to get down to technical detail would prejudice their position in what they feel is essentially a political issue. However, with experience it is true for it would expose the weakness of the industrial countries' case.

The industrial countries on the other hand are heading

for trouble by seeking to dominate the management of the fund through individual schemes. These are tactics that invite displacement. The way ahead surely is for the industrial countries to accept the Group of 77's principles, provide workable criteria can be found for lending from and subscriptions to the Common Fund. If Britain were to move in this direction, most of the industrial countries would follow. Germany and the United States would be left very isolated. In the last resort, the aim of commodity stabilization could be achieved without formal United States participation, if this were blocked by Congress.

Six months of falling commodity prices have played a role in dampening interest among industrial countries since they agreed in Paris in June to the idea of a Common Fund. But that is a narrow and short-sighted view. The fall is caused by disappointing growth in demand in industrial countries, and in turn causes weak demand for their exports to commodity producers.

The world needs not just more locomotive economies in the United States, Germany and Japan to pull it out of recession, but a balanced network of stimuli of which a well-conceived Common Fund could be an important part. Furthermore, what will happen when the boom is on the other foot? If the developing countries cannot make progress on commodities with agreement they will try to do so without. The destruction of the Common Fund proposal, as the centrepiece of their aspirations for a new international economic order, could set as the same sort of political trigger as the Arab-Israeli war did to Opec. Yours faithfully, JEREMY BRAY, House of Commons, London SW1A 0AA, December 12.

A fishing industry put in jeopardy

From Mr C. J. Day

Sir, As a committee member of the South West Producer Organisation (a fisheries organisation), I have read a consultative document sent by the Ministry of Agriculture, Fisheries and Food to Fisheries Organisations, Fishermen and the public, and was appalled at the proposals put forward. With regard to the fishing in the South-west, we are already suffering a cutback in income caused by the minimum mesh size (which incidentally, we do see the need for, to stop the destruction that was being carried out).

The proposed increase in the minimum mesh size from 70mm to 80mm would be disastrous to this area. Unlike Scotland and the North, we have no cod and haddock, only whiting and a few Gadus. The cod and haddock caught in the North Sea would be virtually unaffected by the 80mm mesh regulation, purely because of the size of these species, whereas, whiting, mullet, squid and sole under 120mm (which constitute the major part of the South-west fisheries catches) will become practically impossible to catch.

Not content with bringing the industry to its knees with a grossly increased minimum mesh size, they then deliver the final blow by proposing a ban on sprat fishing from April to August and a ban on horse-mackerel from May to September. They are thus making sure

that the fishermen are finally put out of business by taking away the only alternative fisheries we have (in view of the small tonnage of sprat, mullet and horse-mackerel caught in the proposed prohibited period, these fish serve little or no use anyway). I can see no sane reason for destroying the livelihood of an entire fleet in the name of conservation.

It is vital that our voice is heard before the proposed regulations are enforced. We remain, yours sincerely, C. J. DAY, Pescara Fisheries Ltd, 5 The New Fish Quay, Brixham TQ5 8AW, December 13.

these investments in the regular abolition of currency official exchange to go. a quintessence with the public figures and a stemming yesterday's a job. I usually have long ago. that, however, this private the penny the palm of that the with their quarters of. But of selling investors as extra the success however British it direct up this the this the many level of a market market. Yet, a truly a state of the in the

the fishermen are finally put out of business by taking away the only alternative fisheries we have (in view of the small tonnage of sprat, mullet and horse-mackerel caught in the proposed prohibited period, these fish serve little or no use anyway). I can see no sane reason for destroying the livelihood of an entire fleet in the name of conservation.

Securing chief executives of the right calibre

From Lord Brown

Sir, The letter from the Director of the Oxford Centre for Management Studies, in calling for a great debate on the responsibilities of British company directors, is timely. But, though a great debate may be necessary, surely some immediate action is called for which need not wait for the debate?

Too many of our non-executive directors lack the operational, experience to judge whether their companies have or have not got capable chief executives. Too many of our chief executives are also chairmen of the boards of their companies. I find widespread agreement on these two points.

Existing boards could act to correct these deficiencies because they are, de facto, self-selecting. If every board made a serious effort to park its passengers and instead obtained the services of active managers from non-competing companies, then better assessment of chief executives would result. Many of our less competent chief executives would be removed with much advantage to British industry.

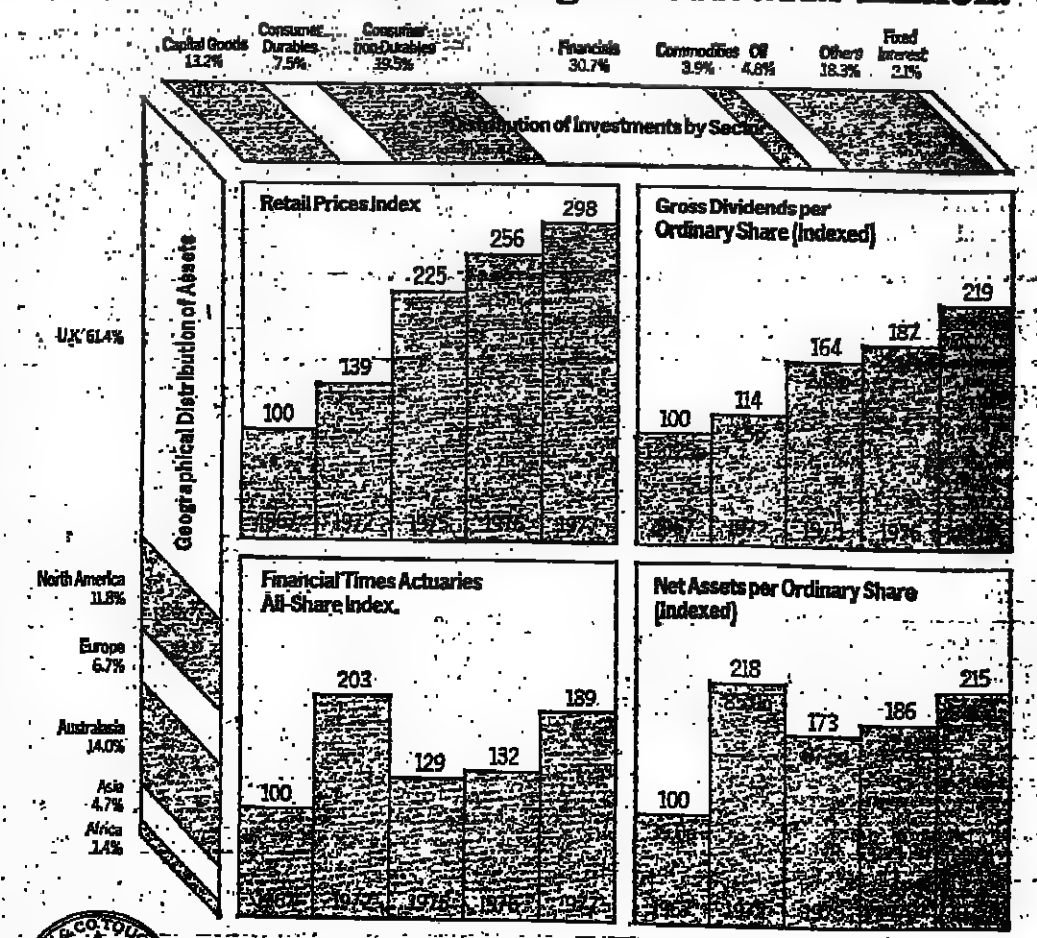
If boards insisted that different persons occupied the roles of chairman and managing

director then there would be someone on each board to lead his colleagues in an assessment of the managing director's performance.

The single largest variable in the performance of a company is the calibre of the chief executive. What a pity it is that our institutional investors do not, as in Germany, take more interest in the composition of the boards of companies in which they invest. Yours faithfully, WILFRED BROWN, 23 Prince Street Road, London NW1, December 19.

C.L.R.P. Investment Trust Limited

Total Assets at 31st August 1977: £14.7 million.



A member of the Touche, Remnant Management Group. Total funds under Group Management exceed 750 million.

Copies of the Report and Accounts can be obtained from The Secretary, C.L.R.P. Investment Trust Limited, Winchester House, 77 London Wall, London EC2N 1BH.

BOC Profit Results

BOC International Ltd

Group profit, unaudited for the year to 30 September 1977 was:

| | Year to 30.9.77 | Year to 30.9.76 |
|---|-----------------|-----------------|
| Group sales | 809.77 | 809.76 |
| Operating costs | 870.6 | 807.6 |
| Depreciation | 866.1 | 807.7 |
| | 114.5 | 99.9 |
| | 36.7 | 30.1 |
| Group share of associated companies' profits, less losses | 78.8 | 89.8 |
| | 23.0 | 22.3 |
| GROUP TRADING PROFIT | 101.8 | 82.1 |
| Europe | 39.5 | 39.1 |
| Africa | 16.7 | 13.7 |
| Americas | 19.9 | 22.8 |
| Asia | 4.9 | 4.7 |
| Pacific | 20.8 | 18.0 |
| Interest | 101.8 | 82.1 |
| | 19.8 | 18.5 |
| GROUP PROFIT BEFORE TAX | 82.2 | 73.6 |
| Tax | 35.1 | 40.3 |
| Minorities | 47.1 | 33.3 |
| | 7.7 | 6.3 |
| E-extraordinary profits/(losses) net after tax | 39.4 | 27.0 |
| | (0.2) | 0.3 |
| AVAILABLE FOR DISPOSAL | 39.2 | 27.3 |
| Dividends: Preference | 0.1 | 0.1 |
| Ordinary—Interim | 3.4 | 2.8 |
| —proposed final | 5.8 | 4.0 |
| Profit retained | 9.3 | 6.9 |
| | 29.9 | 20.4 |
| | 39.2 | 27.3 |

Earnings per share (adjusted for Rights Issue) 14.49p 10.04p

Condensed balance sheet as at 30 September 1977

Group capital employed, unaudited, at 30 Sept 1977 was:

| | At 30.9.77 | At 30.9.76 |
|---|------------|------------|
| £ million | £ million | £ million |
| Shareholders' funds | 384.5 | 242.9 |
| Minority shareholders' interests | 61.7 | 51.5 |
| Deferred taxation and capital grants | 19.3 | 60.5 |
| Net borrowings (loans and overdrafts; net of cash and deposits) and leasing obligations | 153.8 | 162.3 |
| | 619.1 | 513.8 |
| Fixed assets (including leased assets) | 401.4 | 332.4 |
| Associated companies and investments | 97.3 | 87.3 |
| Working capital (excluding overdrafts and short term loans) | 120.4 | 84.1 |
| | 619.1 | 513.8 |

- Trading profit for the year to 30 September 1977 has been reduced by: extra depreciation of £3.4 million provided in respect of asset revaluations carried out during the financial year.
 - Startling strengthened against other major currencies during the last quarter of the financial year. Group trading profit for the year could have been higher by £750,000 if exchange rates ruling at 30 June 1977 had still applied.
 - Deferred taxation has been calculated in accordance with the proposed accounting standard ED19. The result has been to increase shareholders' funds at 30 September 1977 by £46.8 million. On the new basis the tax charge for the year to 30 September 1976 would have been £38.5 million.
 - The balance sheet at 30 September 1977 includes obligations of £10.2 million under finance leases and related leased assets of £12.1 million.
 - As forecast at the time of the Rights Issue, the Directors recommend a final dividend of 1.785p net per 25p ordinary share (1976: 1.659p) making a total of 3.135p for the year (1976: 2.659p). This is equivalent to 4.75p inclusive of tax credit (1976: 4.092p).
 - Books close for the final dividend and report and accounts to shareholders 20 February; final dividend payable 3 April; shareholders' meeting 22 March.
- Further copies of this report may be obtained from the Secretary, BOC International Ltd., Hammersmith House, London, W6 9DX. Tel. 01-748 2020.

BY THE FINANCIAL EDITOR

New possibilities for overseas investment

The 25 per cent surrender rule has been a constant thorn in the side of the investment community since it was introduced in 1965. Whatever one may have thought about the desirability of what amounted to an automatic tax on most overseas investment, there was little argument about the deleterious effect the surrender rule was having on the management of overseas portfolios. Every time an investor in a premium stock wished to switch to improve portfolio performance he had to take into consideration the cost of the surrender involved in that switch—a cost on the same kind of scale that was killing off so much private investment in the domestic market.

What, though, are the implications of the abolition of the surrender rule? The widespread view is that it is bound to stimulate investment in overseas stocks. The point of disagreement concerns the scale. The arguments for expecting considerably increased interest in overseas stocks are that there is little risk that the premium itself will be abolished in the foreseeable future.

The arguments against expecting more than a marginal increase in funds headed overseas are the strength of sterling and, more particularly, the fact that many investors may not be prepared to bid the premium up all that much further in what can often be a very narrow market.

At this stage, then, it is difficult to estimate the likely scale of any diversion of funds away from the domestic equity market. Whether or not any diversion will prove important, moreover, will depend on how much money the Government leaves around for total equity investment after it has creamed off enough to meet its own

Much more likely, however, is that turnover in what has often been a notoriously thin market at times will increase thereby reducing the volatility that has caused so much uncertainty for holders of overseas shares. Turnover increased some 10-15 times when the pool was doubled with the introduction of sterling area countries four years ago and dealers yesterday were expecting turnover next year to be some five times higher as speculative interest wells up.

Whether the abolition of the surrender rule has come in time to attract the business in overseas shares back to London is a moot point, especially as jobbers will still have to compete with the net prices quoted by United States dealers in London.

With full year profits of £82.2m. BOC International has achieved its September forecast by only the barest of margins. And although that represents a near 12 per cent improvement on 1976-76 the deterioration in trading conditions throughout the year has been marked. So, after 30 per cent growth in the first quarter, there was a progressive deceleration with growth of 19 per cent in the second, 6 per cent in the third and less than 2 per cent in the final quarter.

Since BOC's first quarter this year will have to embrace both heavy strike costs and serious adverse currency swings, the reasons for the short-term or therefore extremely discouraging. Excluding the plan to consolidate the enlarged Airco stake, probably for eight months, BOC will be badly in need of some general world economic revival from next spring if it is to improve on this year's figures at all. Airco, will, of course, make a big difference, but its underlying earnings are as flat as BOC's so the impact on earnings per share will not be great. Thanks partly to a £46.6m. of deferred tax and partly to the rights issue borrowings, are down from 63 to 40 per cent of shareholders' funds, but the stronger balance sheet is presently the only glimmer of light for the shares.

Wilkinson Match

The American proposal

Allegheny proposes to acquire Wilkinson without making an offer for its shares. So the majority of the shareholders will not have the opportunity of accepting the 280p which was paid to Swedish Match for a 29 per cent stake on Monday, a 27 per cent premium over the then market price.

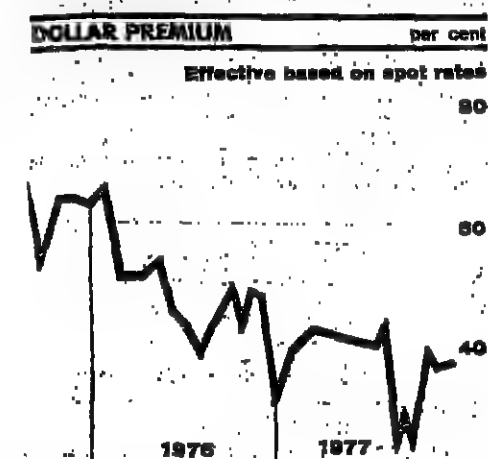
The Takeover Panel has considered the deal both in its constituent parts—the buying of the 29 per cent stake, and the proposal to issue Wilkinson Match shares for an Allegheny subsidiary, True Temper, which would give Allegheny more than 50 per cent of Wilkinson Match.

The Panel's requirement that shareholders should have the right to vote on the second proposal after the deal has been vetted by the companies advisers, Hambros Bank, and that Allegheny should be disentitled at the meeting, but that Allegheny should not be obliged to make a general offer to the resulting minority, is based on a practice note in the Code.

This says that where an issue of shares for an acquisition results in more than 30 per cent of the votes changing hands, the normal requirement to make a bid will usually be waived providing there is a vote in favour of an extraordinary meeting.

The complexity here is that Allegheny had acquired just under the level that would trigger a bid before the second deal was proposed. It seems difficult to believe that shareholders will get a better deal this way than they would have received had Allegheny made a full offer. Allegheny clearly wants to keep a British queue. Without it the chances of the Monopolies Commission letting such a deal go through would be remote.

The institutions will decide this issue with 30 per cent of the equity. On balance the Panel is probably right to let shareholders decide. But the problem is that board recommendations will naturally carry much weight, and there is a strong case for the minority shareholders in Wilkinson receiving separate advice.



Meanwhile, those involved in the investment currency markets have been half-expecting changes in the regulations for the past six months with abolition of the irksome 25 per cent surrender rule—whereby sellers of investment currency have to sell a quarter at the official exchange rate—an odds-on favourite to go.

Being a quintessentially professional market, with the number of dealers down to single figures and the lion's share of turnover stemming from institutional investors, yesterday's abolition then will not come as a bolt from the blue with the market arguably having discounted this eventuality long ago.

For all that, however, there will still be some imperfections in this market to be ironed out as private holders of overseas shares taking this opportunity to sell shares acquired in the palmy days of the Hongkong stockmarket boom or the 1972-74 gold share frolics. Not that there was much sign of this yesterday with the premium edging up some three-quarters of a point to an effective 39.4 per cent. But over the next few days increased selling could produce some reaction as investors take advantage of the 7 per cent or so extra they will now enjoy as a result of the surrender rule's abolition.

After that, however, the premium is likely to harden as British fund managers take the opportunity of diversifying their portfolios overseas which up till now they have been chary to do since this has involved taking a view not simply on overseas stockmarkets but the dollar premium as well.

All the same many dealers now feel that an effective level around the 40 per cent mark is about right in the light of the relative attractions of the United Kingdom and overseas markets and with the South African stockmarket off-limits for many fund managers. Yet yesterday's move also removes the risk that the premium will be phased out entirely, at least in the short-run, which was one of the major reasons for the sharp shakeout in August this year.

Economic notebook

Sterling on the boil again?

The dramatic build-up of pressure on sterling this autumn, which eventually forced the Government to take the lid off the pound in order to save its money targets, was followed by something of an anticlimax. Those who had passionately argued against the "floor" watched with relief as the pound settled down to a remarkably steady trade-weighted value, only about 14 per cent higher than its pre-October 31 pegged rate.

Onyons are now appearing on their faces again. In the past three days there has been a perceptible revival of interest in sterling in the foreign exchange markets.

The pound's effective exchange rate index has risen by a further 14 per cent this week. It has strengthened against the "hard" currency Deutsche mark and yen, as well as against the United States dollar and the weaker European currencies. The exchange control relaxations announced yesterday may do something to alleviate upward pressure on sterling. But there are several reasons for supposing that Britain may not enjoy its position on the currency sidelines for much longer.

The reason is the German decision last week to impose curbs on the speculative inflows which have sent the mark soaring by nearly 10 per cent against the dollar in the past few months. Another reason is the better outlook on the wages front.

The staffing was knocked out of the pound's initial bounce in November by the miners' strike, which has since been followed by the steelworkers' strike. The fact is that the pound is still a long way from being a free currency. The signs are, though, that it would stand firm.

After all, the "uncovering" was expected to lead to a significant appreciation. The fact of its coming later than expected would be no reason for an official change of heart, unless the appreciation was extremely sharp.

Mr Callaghan is probably happier with a rising rate although most advisers prefer the pound to fall

The Government still puts a high priority on firm control of the money supply (albeit at a yet unspecified rate in 1978-79). This would seem to rule out large-scale intervention in the foreign exchange market. Inward exchange controls would be an unlikely last resort in the event of huge inflows.

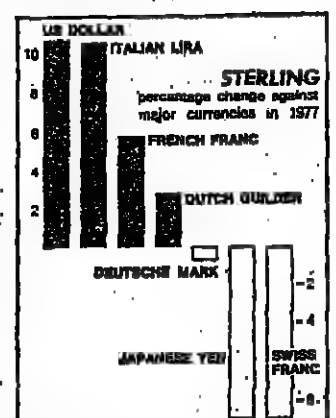
Quite apart, of course, from the economic arguments for or against a higher pound, there is the political one. The Prime Minister is probably happier when the rate is rising than when it is falling, even if his counterparts in Germany, Japan and Switzerland are now bemoaning the rise in their currencies.

However, the majority of the Government's advisers would rather see the pound fall than rise next year. They believe that the damaging effects of an initial loss of competitiveness on growth and profitability outweigh the beneficial effect on prices.

Officials in the Treasury and the Bank of England, and industrialists in the Confederation of

British Industry, will be keeping an anxious watch on the currency markets—and the outlook for the United States dollar is of key importance in assessing the likely demand for pounds. The huge American current account deficit has undermined the currency this year.

The widening United States trade gap results in large part from the faster growth in America than elsewhere. The Administration is extremely unlikely to revise its views on the need for growth next year and is hoping that the pressure of currency changes will force others to expand their own economies.



Reflection by the Germans and Japanese, large enough to close the payments gap, is unlikely, so there will probably be plenty of dollar funds looking for a safe currency home next year.

It is too soon to judge whether the German measures will effectively shut their door. The similar Japanese attempt last month must be judged a failure. The central bank is again intervening massively to hold down the yen. Most dealers expect the German controls to go the same way, but they could lead to some switch of attention to pounds.

Estimates of the capital outflows which will result from the new relaxation measures in the United Kingdom are also difficult to make. The Bank of England expects the abolition of the surrender rule to lead to a net outflow of about £200m (£375m) next year.

Relaxation of the rules governing direct overseas investment could prompt some companies to switch their excess sterling funds into Europe.

Britain's economic prospects are clearly not as bright as those of Germany, Japan or Switzerland. Nor is the pound the one-way bet for speculators which it seemed before "uncovering". But the two indicators of most importance to foreign investors—the balance of payments and the balance of payments—are set for the next six months.

That is usually the limit of the horizons of the currency markets. Money growth over the next few months will be faster than last year and the sluggish growth of the economy this year, which has tended to bolster financial confidence, will be succeeded by some expansion.

However, barring a sudden explosion in pay, confidence in sterling (shown in a recent survey by Amex bank to be much greater among foreigners than among the British themselves) is likely to push the pound higher.

With a record level of companies reporting prices as a constraint on export sales even before the upward float, a consumer boom in the office and evidence that Britain's already high propensity to buy foreign has intensified recently, that is a worrying prospect. It makes it even more important that Britain's cost inflation be beaten which means more productivity and not too high wage settlements.

Caroline Atkinson

Rolls-Royce: a juicy liquidation

PROGRESS OF LIQUIDATION

Feb 1971 Rolls-Royce collapses.

Aug 1972 Payment of 15p to unsecured creditors.

Dec 1972 Sale of shares in BAC for £6.25m.

March 1973 Second payment of 25p to unsecured creditors.

May 1973 Rolls-Royce Motors floated for £28.4m.

June 1973 Agreement reached with Government at £27.5m for price of aero-engine assets.

Feb 1974 First payout of 25p to shareholders.

July 1974 Second payout of 10p.

Feb 1975 Third payout of 15p.

Feb 1976 Fourth payout.

Nov 1977 Final payout promised of 6.7p; next payout immediately before winding up.

Total payout to shareholders 61.7p nominal value of shares £1; lowest price 3d; highest 1970 price 25s.

On February 4, 1971, the inconceivable happened. Rolls-Royce, the pride of British engineering and advanced technology, collapsed. It brought an effective end to the then Conservative government's lame-duck policy and dealt an unprecedented psychological blow to the business community. The collapse was one of the key factors which destroyed the confidence of the small investor.

A name, which had been a synonym for excellence, which the nation had lauded only twelve years previously for its exceptional ability in winning a contract to supply RB211 aero-engines to the giant American Lockheed corporation, had proved to be a thing of straw.

Lockheed can never have believed that the British government would let Rolls-Royce go under; but in the end the company went into liquidation. Creditors and shareholders could have then expected to get nothing in return for their supplies and faith.

The most amazing part of the Rolls-Royce story is that the liquidation of the company has raised doubts over whether the plug should have been pulled in the first place. Those doubts are misplaced. The process of liquidation has nevertheless been quite remarkable and certainly unique.

Last month the receiver and liquidator, Mr. Robert Nicholson, was appointed by Guardian Royal Exchange, a debenture holder, on the day of the collapse, announced the fifth and final payment to shareholders of 6.7p to be made before the final winding up of the old business.

That made a total of 61.7p paid on 80,000 shares with a nominal value of £1, which had been possible to pick up for less than 1p (3p) after the collapse and for 50p (7s 3d) the day before the collapse.

Nearly £130m has been paid out to unsecured creditors, £57.2m to debenture holders, and £8.5m to preferential creditors since the setting up of R.R. Realisations in August, 1971, to deal with the liquidation of the collapsed company.

The liquidation and receivership has taken £3.7m in remuneration and costs, but that has been more than covered by the interest received on money realised.

"I have not done any miracles, I have just avoided any bad liquidation losses," says Mr. Nicholson, but there is more modesty there than is characteristic.

In fact the liquidation has been a *tour-de-force* which has gone through a number of critical phases, all of which, if they had gone wrong, could have led to a very different outcome for shareholders.

"The critical point," Mr. Nicholson explains, "was to turn all stock into sales to collect debts to Rolls-Royce."

The government had been unable to nationalise Rolls-Royce and then renege on the Lockheed contract without breaking the law. That was why it was necessary to let Rolls-

Eventually Sir Arnold came on the telephone and said, "You still haven't sold those shares, as a receiver you will have to sell, but I told him that as he was running the company so well I was quite happy to wait."

An agreement was reached to accept the procedure for sale in BAC's articles of association. The auditors, as experts, fixed a value of £6.25m on the shares, loans and a company which had not been part of the original merger, were sold equally to Vickers and GEC.

Meanwhile, negotiations were under way on the heads of agreement for the aero-engine business. The guiding hand on the government side was Sir Henry Benson, then senior partner of Coopers & Lybrand, the accountancy firm which had been preparing a report on Rolls-Royce before the merger.

In the event it proved impossible to reach agreement on a price. Mr. Nicholson valued the aero-engine business at £16.2m and the government's side thought it was worth £33.5m. A payment of £30m was made on account and Mr. Walter Parker, a former senior partner in Price Waterhouse was chosen as an arbitrator.

The crux of the matter, however, rested on interpretation of the "heads of agreement", and particularly of the willing seller/willing buyer clause. A judgment was given by Mr. Justice Bagnall, sitting as a legal expert, which has never been made known, but as a result the two sides came to an agreed figure of £33.5m.

It was clearly essential to keep work going on the RB211. The government, therefore, agreed to indemnify the receiver against further losses for carrying on work, while Mr. Nicholson himself arranged with Lockheed to waive damages, so there were none of the usual losses on liquidation arising from the shutting down of plant.

By March, 1971, heads of agreement had been signed by the government for the sale of the aero-engine business on a willing buyer/willing seller basis.

Even so, the whole pack of cards almost collapsed as some major subcontractors asked for payment in full and threatened to withdraw supplies.

"That was a near go," Mr. Nicholson says. "They nearly brought us to a standstill, but I managed to get them to agree to reduce the turnaround and continue to support us."

Before negotiations on the aero business really started in earnest, Mr. Nicholson sold his first big asset—Rolls-Royce's shares in the British Aircraft Corporation, which still had turned into "a long and drawn out affair".

BAC was a big prize which had the remaining partners, Vickers and GEC, would have been delighted to control while Hawker Siddeley was waiting eagerly in the wings. A temporary agreement was reached whereby Sir Arnold Wainstock, at GEC, was given the running of the company while a solution acceptable to all parties was reached.

Nicholas Hirst

Business Diary: Post early? • Two for Monopoly

Eric Varley, the Secretary of State for Industry, has at last been presented with the name of the Post Office board member for finance and corporate planning.

He is Frederick Waterhouse, the 45-year-old chief accountant of the plan protection division of ICI. He will come in at the beginning of February on a three-year secondment.

His predecessor, Maurice Siderfield, quit at the end of last year to become finance director of Ferranti. In April of this year the Post Office's senior director, central planning 56-year-old Charles Beauchamp stepped in as acting board member.

Two things have served to make the Post Office job even more attractive to outsiders than board seats in other nationalized industries.

First, there are the recommendations of this year's Carter Committee, which says the Post Office's postal and telecommunications functions should be split up.

Secondly, the Post Office boardroom is from January 1, to be the laboratory in which the Government is to test its notions of industrial democracy.

Seven board union and two consumer representatives are to join the board in a two-year experiment. So far, the Post Office unions can agree neither the nominations nor on the Carter recommendations.

The consumer nominations are likely to be made any day now. There will be slightly more enthusiasm for these £1,000 a year part-time directorships than for the full-time ones. Business Diary understands that there were 1,500 applications

when the jobs were advertised.

The Monopolies and Mergers Commission, which may itself be merged with the Price Commission, gained two new members yesterday, bringing the membership to 27.

They are Taddeusz Rybczynski, the economics adviser at Lazard Brothers, and Kenneth George, professor of economics at University College, Cardiff.

Rybczynski is a governor of the National Institute for Economic and Social Research.

But the commission's line-up of members will go back to the customary 25 later next year because two long-serving members have retired.

They are Tibor Barna, the Sussex University economics professor who has been on the commission since 1963, and Basil Yamey, professor of economics at the London School of Economics, who went on the commission in 1966. Both are still busy on commission inquiries.

The commission, which is chaired by the barrister, Geoffrey Le Quesne, has always been something of an *ex-ante* of legal eagles, and can often take two to three years to complete an inquiry.

Right hand, left hand: yesterday was the day that the European Commission decided that it would interfere in the pricing policies of the whisky distillers DCL, a move which the company says will force it to reduce its Johnnie Walker Red Label brand from the British market. Yesterday was also the day it was learnt that £2m will be paid out of the EEC regional fund to establish a new whisky blending and bottling plant—



Hollowood

"Continued caution and prosperity—from someone signing himself IMF."

for John Walker and Sons, a DCL subsidiary, making Red Label.

Venezuela's President Carlos Andres Perez, host to the Opec meeting, believes that Britain's Prime Minister is a conservative capitalist in his dealings with the Third World and that his social democrat colleagues in Europe are even worse.

His suspicions were aroused during a visit to London earlier this year when Callaghan asked Cap, as he is known in Venezuela, why Opec would not let the industrialized countries get richer. According to the Callaghan reckoning, a richer developed world is better equipped to help the poorer nations.

He was particularly stung by the fact that the conservative government in Sweden has said it will write off \$200m out of the \$180,000m of aid to the developing countries, a lead so far not followed by any of the social democrat countries of

the world economy to a cake which, if allowed to grow, would provide bigger shares for all when they were handed out. But he failed to tell the visiting president how long it would take to grow, the size of the shares to be handed out and a date for this momentous event.

"I told him that this did not sound like a social democrat speaking. It was what we are told by capitalists in any country," he said after announcing his own plans for helping the Third World reduce indebtedness to the industrial nations.

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Evidently Callaghan likened

NTPC

National Thermal Power Corporation Ltd.
(A GOVERNMENT OF INDIA ENTERPRISE)
NEW DELHI (INDIA)

INVITATION TO BID

FOR WATER TREATMENT PLANT
SINGRAULI SUPER THERMAL POWER PROJECT

Proposals are invited by the National Thermal Power Corporation Ltd., for the works mentioned herein, for Singrauli Super Thermal Power Project at Ranibari, District Mirzapur, Uttar Pradesh, India.

The proposals shall be received at the address and on the date mentioned upto 10.00 hrs (IST) and opened on the same day at 10.30 hrs. (IST).

The project is partly financed by credit from the International Development Association. Participation is limited to Bidders from member countries of International Bank for Reconstruction and Development (IBRD) and Switzerland and the equipments, materials and services proposed shall have their source of origin in member countries of IBRD and Switzerland.

| Scope of work | Cost of documents | | Dates between which bid documents will be available | | Date set for opening of bids. |
|---|-------------------|--------|---|----------------|-------------------------------|
| | Rs. | U.S.\$ | From | To | |
| Furnishing and Erection of Water Treatment Plant incorporating Pretreatment Plant consisting of two (2) Clariflocculators of capacity 300 m ³ /hr. Demineralising Plant of capacity 4x60 m ³ /hr. Clarification Plant consisting of two Clariflocculators each of capacity 3000 m ³ /hr. Chlorination plant of capacity 4x150 kg/hr of chlorine and Chemical Laboratory equipment. | 500 | 60 | 22nd Dec. 1977 | 10th Feb. 1978 | 24th Feb. 1978 |

(Specification No. CC-12-005B)

Bidders who wish to participate should have supplied and commissioned three or more numbers of Demineralising Plant, each having minimum of two chains each of capacity at least 30 m³/hr, and Clarification Plant having unit capacity of 1500 m³/hr, all of which are in successful commercial operation for a period not less than two years.

The Bidders will be required to furnish a Bid Guarantee and Contract Performance Guarantee for amounts of 2% and 10% respectively.

The Bidding documents can be had from the address given below on payment of the cost of bid documents either by certified cheque or by crossed-Demand-Draft payable to National Thermal Power Corporation Ltd., at New Delhi.

Contract Services
National Thermal Power Corporation Limited
11th Floor, Ashoka Estate, 24, Barakhamba Road,
New Delhi-110 001 (India)
Telex: ND 2266

Anglo American Corporation of South Africa, Limited

Gold mining companies in the Orange Free State

ALL COMPANIES ARE INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA

Mr D. A. Etheredge and Mr D. B. Hoffe discussed the following topics
In their chairmen's statements for the year ended 30th September, 1977.

On all the Group mines, working costs have been affected by the increases in cost of consumables stores and electric power where the rates of escalation have outstripped those of labour in general. The mining industry is the largest individual power consumer in the country taking approximately 22 per cent of Escom's production in 1976 and with recent increases in price, power costs have become a significant element in the cost of mining at depth, accounting on average for nearly eight per cent of the working costs of all gold mine members of the Chamber of Mines. From January 1976 to September 1977, increases in the cost of power from Escom have raised the cost of electricity by 60 per cent.

A further increase of 20 per cent is scheduled for the Orange Free State area in January 1978. These increases have been brought about by Escom in order to provide in part for the finance for their proposed expansion programme in view of the fact that the traditional source of capital, foreign loans, is no longer available because of the political climate. It is of great importance that Escom should find some way out of its dilemma as tariff increases of this magnitude have the effect of shortening the lives of the mines.

Working costs during the year have risen appreciably. Total working costs for the Group's Orange Free State mines rose by 20 per cent although on a unit ton milled basis this represents an increase of 11 per cent.

Gold price

In August 1976 it became apparent that speculative over-selling had driven the market price down to an artificially low level and that little account had been taken of the solid industrial demand which existed and then began to emerge clearly at a higher than anticipated level. By early November the price had risen to \$130 and it remained at this level until the middle of February. The apparent equilibrium in the market over this period indicated that the level of industrial demand was strong enough to balance supply. At this time it also became clear that the IMF auctions had become accepted as a normal factor in the market, this being particularly so once the auctions had been moved to a monthly basis.

In March the price finally moved above \$140 and movements during the ensuing months were small, again demonstrating an inherent stability in the market. Only in September did the price finally break through \$150 with the return of increased investment demand as a result of the weakening dollar and the continuing fall in Wall Street. For the first time this year speculators began to make their presence felt and with the continuing weakness of the dollar their influence moved the price above \$160.

Even at current levels the market appears strong. Sales to the Middle East have fallen off slightly but this has been balanced by increased activity in Hongkong and Singapore during the second half of the year.

At the same time industrial demand in Europe has been maintained. This is largely explained by the fact that the weakening dollar has meant that the cost of gold purchased by the European fabricators in their own currencies has not risen in step with increases in the dollar price of gold.

Kruggerand also continues at an acceptable level and an extended marketing plan to cover all Europe is under preparation by the International Gold Corporation. The promotion campaign in the United States has also had an impact and worldwide sales of the coin this year are again expected to be of the order of three million, coins accounting for over 90 per cent of SA gold production. Promotions activity has recently been adversely affected by US attitudes to political developments in South Africa but sales of coins continue strongly.

The year has shown that total gold production has been easily absorbed by the market at a rising price, largely on industrial demand, and this trend should continue next year provided speculative activity does not disturb the market. It does happen significantly higher prices could eventually be but this would be coupled with a greater degree of instability in the market.

The IMF has not as yet obtained the necessary member approvals to enable it to amend its articles to do away with the official price of gold and to allow central banks to sell at market prices. It is expected that this will take place early next year at which time the South African mines will immediately receive market value for any gold delivered to the Reserve Bank.

Joint metallurgical complex

The Joint Metallurgical Scheme (JMS), to recover gold, uranium and sulphur from slimes, came on stream this year. The recovery of the uranium from slimes began in March and that from pyrite concentrate in July and by the end of September 913,000 tons of slimes, predominantly from Free State Sasiplass, and 54,000 tons of concentrate had been treated to produce a profit of R3,800,000. The pre-production revenue from the flotation plants, the acid plant and the calcine plant which also began processing during the year was capitalised up to and including September 30. From October 1, these plants have been fully operational and although considerable problems have been encountered in obtaining rated capacities, and recoveries—particularly in the flotation plant, where design throughput and recoveries have yet to be achieved—the participants remain confident that the potential of the JMS will be realised in the current financial year.

The JMS venture is by its nature extremely complex. Each mine that contributes feed to the scheme at all times retains ownership of both the minerals and the residue and has an individual commitment to produce uranium against the negotiated supply contracts. Principles have been adopted in order to ensure an equitable distribution of the costs and revenues and in order to optimise profits. Application of these principles has allowed us to calculate the projected value of each mine's ability to supply so that the consumer finance obtained as part of uranium contracts could be allocated to each mine accordingly. The production costs incurred by the various plants in the production of pyrite, uranium, acid or gold are allocated to each contributor proportionate to its prime input or feed to each particular plant. Furthermore, these mines which contribute to the scheme are charged a process levy on throughput in order to provide an adequate return on the capital outlay involved in the plant construction.

These arrangements have called for an unusually complex administrative procedure which in due course will be facilitated by the use of computers. During the year a further long-term uranium supply contract was negotiated which necessitates the extension of the high grade slimes treatment facilities for the production of uranium at President Brand. The supply contract includes provision for a consumer loan which will go towards the financing of the project as has been the practice in the past. A project team has been assembled and design and planning work is in progress on a plant extension which will have a treatment capacity of 180,000 tons a month which will be drawn from all mines having high grade slimes thus excluding Free State Geduld and Western Holdings. It is anticipated that uranium production will commence in May 1980.

Labour

At the time of the previous review, local economic conditions were deteriorating in sympathy with the increasing degree of political instability on the African sub-continent. It is unfortunate that this trend has continued into what must now be called

a serious depression. However, while this situation is of major concern to industry and the country in general, it has provided some relief to the country's gold mining companies in that it has improved the supply of black labour from the urban areas and homelands. In so doing, it has to some extent alleviated the pressures developing as a result of rising unemployment. All Group mines have operated at full complement for most of the year and the unrest which characterised our recent history has been absent. Unfortunately, the poor economic conditions have not eliminated the shortage of skilled white labour. There has been a continuing shortage of white miners and electricians. The position has been severely aggravated by the demands for military service as young men comprise a high percentage of the staff, particularly in the key production areas. The continuing shortage of whites brings into focus the restrictive influence of job reservation which precludes the mines from developing and utilising the available skills amongst black workers. Given the current political climate and the rising aspirations of the black population, not only do we face problems in maintaining planned levels of production but also the prospect of future unrest has to be considered which could arise out of increasing black frustrations.

During the year the gold mines of the Anglo American Corporation group have been paying particular attention to the industrial relations needs of the area of relatively rapid change which we believe lies ahead. We have, for instance, run a large number of five-day courses for mine employees. These courses were initially for management and officials and were later extended to white miners and artisans. We believe that the courses are having an important impact, not only on knowledge, but also on attitudes. In order to complement the changes which are required over the next few years and to ensure the best use of our manpower resources, bearing in mind the existing and predictably growing shortage of whites for semi-skilled and skilled positions on mines, it is crucial to develop amongst employees attitudes of mind which support the philosophy behind these changes. The white employee is an indispensable factor in the running of our mines but, not surprisingly, he views the advancement of blacks with some apprehension in terms of his own job security.

We have therefore issued an internal circular to all white officials and union men in which we have set out, in general terms, the principles which will guide us. We have made it clear that there are no grounds on which racial discrimination can be justified and that no company in South Africa can escape its responsibility for improving the job opportunities available to its black employees. We understand, however, that proposed changes in labour legislation will be discussed with white employees and the associations and unions which represent them. Existing white employees are promised that they will neither lose employment with the company nor suffer a drop in pay as a result of any alteration in labour legislation. Moreover, an understanding is given that no job held by a white employee will go to a black at a lower rate of pay on the sole criterion of reducing costs. Reference is made to the use of sound job evaluation techniques. In our case, the Patterson Plan to determine the work content of jobs and their rates of pay and to the maintenance of existing standards of work, selection criteria and the use of white employees on Anglo American gold mines and has not been the subject of adverse reaction other than in isolated instances. Further circulars will be issued from time to time to clarify aspects of our industrial relations policy. We sincerely hope that white employees will see in these circulars our determination to bring about changes in the labour field in such a way that they can confidently co-operate with us.

These figures take no account of Matthews Holdings which Borthwick took over in a cash-for-shares deal in 1976. The group's debt ratio, however, before the September 30 year-end, was 1.2 to 1.

Consolidation of Matthews, which was itself highly geared with borrowings of £13m and net worth of £10m, will make further inroads into the group's debt ratio.

Consolidation of Matthews, which was itself highly geared with borrowings of £13m and net worth of £10m, will make further inroads into the group's debt ratio.

In the light of the stringent economic conditions in South Africa and the country's continuing high level of inflation, wage increases were kept at a minimum. The pay increase in August, for all white employees, was limited to about five per cent on basic rates. This is the second successive year in which the industry's whites have accepted pay increases which are substantially less than the advance in the Consumer Price Index reflecting a situation where real incomes are declining. Of course, the impact of this is lessened to the extent that we continue to provide extensive fringe benefits at minimal cost to employees. Wage increases for black workers were also treated with restraint and overall increases were limited to six per cent.

Housing

During the year under review, considerable attention has been given to the question of housing with particular reference to accommodation for blacks and coloureds. An agreement in principle has been reached with the Department of Bantu Administration and Development to allow the housing of key black workers in black urban residential areas without the historic ban on the housing of coloureds. In addition, blacks in possession of residential rights in an urban area will be allowed to retain their rights while taking up employment on a mine.

This represents an important concession to the mining industry and provides a meaningful opportunity to overcome, at least in part, the problems we have encountered for so long under the migratory system. In consequence, the Group Orange Free State mines acting jointly have embarked on the construction of an initial 175 houses in an ongoing programme in the Thabong township in Welkom. A programme for the housing of coloured employees was also initiated by the Group Orange Free State mines during the year, and to date 100 houses for married employees and a single quarters block to house 32 men have been built. A further 60 houses will be constructed in 1978. At present the houses are provided to coloureds under a lease arrangement through the Welkom Municipality, but a home-ownership scheme will be considered in due course. Formerly, the mines employed few coloureds, but the introduction of the JMS has provided the opportunity to employ them as plant operators.

SUMMARY OF OPERATIONS

Gold production on Anglo American Corporation's Orange Free State mines

| | | Working profit | Tons milled | Gold produced (kg) | Yield (g/t) | Cost per ton milled | Profit per ton milled |
|--|------|----------------|-------------|--------------------|-------------|---------------------|-----------------------|
| President Brand Gold Mining Company Limited | 1977 | R54,064,000 | 3,853,000 | 33,656 | 10.56 | R22.12 | R17.48 |
| Chairman: Mr D. A. Etheredge | | R70,700,000 | 2,997,000 | 38,508 | 12.86 | R19.66 | R23.83 |
| President Steyn Gold Mining Company Limited | 1977 | R26,277,000 | 3,100,000 | 26,816 | 8.65 | R22.88 | R 8.49 |
| Chairman: Mr D. A. Etheredge | | R32,965,000 | 2,593,000 | 27,272 | 10.52 | R22.21 | R12.71 |
| Free State Sasiplass Gold Mining Company Limited | 1977 | R 6,359,000 | 1,234,000 | 4,482 | 3.63 | R19.03 | R 5.15 |
| Chairman: Mr D. A. Etheredge | | R 5,001,000 | 1,183,000 | 3,895 | 3.26 | R15.71 | R 4.19 |
| Free State Geduld Limited | 1977 | R92,314,000 | 3,436,000 | 44,274 | 12.89 | R21.35 | R26.87 |
| Chairman: Mr D. B. Hoffe | | R73,332,000 | 2,104,000 | 34,462 | 16.38 | R19.91 | R34.85 |
| Western Holdings Limited | 1977 | R74,389,000 | 3,093,000 | 36,396 | 11.77 | R19.74 | R24.05 |
| Chairman: Mr D. B. Hoffe | | R75,975,000 | 2,974,000 | 37,759 | 12.70 | R17.54 | R25.55 |
| Welkom Gold Mining Company Limited | 1977 | R 7,777,000 | 2,183,000 | 13,886 | 6.36 | R20.21 | R 3.57 |
| Chairman: Mr D. B. Hoffe | | R 5,085,000 | 2,101,000 | 13,188 | 6.28 | R18.40 | R 2.90 |

The annual general meetings of these companies will be held at 44 Main Street, Johannesburg, South Africa, on 28th January, 1978. Full copies of each of the Chairmen's reviews together with the annual reports of all the companies may be obtained from their London office at 40 Holborn Viaduct, EC1P 1AJ or from the office of the United Kingdom Transfer Secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent.

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

No follow through in equities

The Treasury's decision to abolish the 25 surrender rule on the dollar premium gave share prices a marginal lift and enabled most of the industrial leaders to revert to their overvalued positions after early weakness.

Naturally enough overseas issues attracted a good demand but for the rest there was disappointment at the lack of follow through to Tuesday. Opinion was divided about the effect of the dollar premium news but some were pessimistically predicting last night that it would mean an increased outflow of British funds to Wall Street and other foreign markets.

Look out for a resumption of *Nottingham Leisure* shares early next year. Chairman Mr John Hutchings says he is just waiting for an opportune moment which cannot come too soon. The company is now cutting its Financial Network Guaranty, who recently picked up 28 per cent from abortive bidder BCA, will not be making an offer for NL.

The FT Index, 2.5 down at 11 am, rallied sufficiently to close just 0.4 up at 480.0. On a comparatively subdued gilt-edged market early falls of around half a point in "longs" were all but wiped out in later dealings. Shorter maturities eased one-eighth or so. Bond dealers said the decision of the TUC Council not to back the firmers' strike also helped.

Fixed-interest dealers feel that the new long "tap" will receive a warm reception when the issue opens today. If it is quickly over-subscribed they do not rule out the possibility of a

replacement issue in the near future.

Two to attract special support on the premium news were De Beers, up 11p to 310p, and Phillips Lambs which added 20p to 282p. Early falls in gold shares were quickly erased and by the close of trading most were up to 25p better. An exceptionally firm spot was Randfontein which firmed £1.62 to £1.12.

There was a busy market in bid and speculative stocks. The Newmarket Group gained 9p to 35p on news of an approach and Leisure & General firmed to 62p on the higher Ladbroke stake. Talk that the United States group which bought the Wilkinson Match stake might soon bid for full control lifted the shares 10p to 213p while two mentioned here as bid candidates were in good form. White Child gained 9p to 84p and G. Dew Sp to 156p. The former the hope is that Guinness will come with minority terms while for Dew

the word is that news is not far off.

A mixture of comment and speculative interest was good for Active stocks yesterday. Figures just about in line with market estimates helped BOC International to hold steady. Caledonian Associated Cinemas 70p to 240p and Whatman Reeve 5p to 263p. Dividend prospects helped AGC Research to gain 2p to 84p, Spear & Jackson slumped 38p to 120p after the lowering of its profits forecast and Distillers fell 4p to 169p after the EEC ruling against its pricing structure.

Hopes of cheaper holidays had Horizon Midland 3p firmer at 58p while North Sea potential attracted a strong demand to Thomson Organisation which closed with a gain of 29p to 674p. Stockholders Airways & Smithers 10p to 228p and Smith Brothers 6p to 59p both met with support, the last named benefiting from its dominant position in the gold share market.

The forthcoming results continued to boost Thorn, which

rose another 8p to 380p, while for a similar reason S. & W. Berisford gained 6p to 220p. Figures just about in line with market estimates helped BOC International to hold steady.

Muirhead, the electrical and electronic group, attracted fresh support rising 8p to 200p on takeover hopes. Once Rascal was widely tipped as a saviour but that is now discounted. More likely, say dealers, is an American group like ITT or Honeywell with a maximum price of 250p.

Equity turnover on December 20 was 567.4m (10,576 bar-gains). Active stocks yesterday, according to Exchange Telegraph, were Bechem, BP, Lonrho, Charter Consolidated, Distillers, BAT Dfd, Berisford, Tarmac, Tube Investments, Barclays Bank, Midland Bank, De Beers, Consolidated Gold Fields, Spear & Jackson and Wilkinson March.

Latest results

| Company | Sales | Profits | Earnings | Div | Pay | Year's |
|---------------------|--------------|-------------|--------------|------------|------|------------|
| Int or Flu | £m | £m | per share | pence | date | total |
| AGC Research (1) | 670.6(507.6) | 82.2(73.5) | 14.49(10.04) | 1.1(1.1) | 20/1 | (2.0) |
| BOC Int (P) | 1.1(1.1) | 2.1(2.1) | 1.7(1.5) | 1.7(1.5) | 3/4 | 3.12(2.65) |
| Edwards (Ridge) (1) | 3.4(11.5) | 0.23(0.27) | 0.82(0.94) | 0.65(0.50) | 1/5 | (1.1) |
| Electric & Gen (1) | — | 0.02(0.02) | — | — | — | (0.41) |
| Estates & Agcy (1) | — | 0.13(0.06b) | 16.36(8.12b) | 2.64(8.25) | — | 2.64(8.25) |
| Hall Bros (P) | — | 0.01(0.01) | — | — | — | — |
| Highgate Opt (1) | 0.09(0.17) | 0.13(0.10) | — | — | 9/2 | (2.0) |
| Hutchinson (Q) | 6.25(2.3) | 0.41(0.33) | — | — | — | — |
| Int Factors | — | 0.70(0.5) | — | — | — | — |
| Leisure (1) | 5.7(4.0) | 0.53(0.42) | 9.48(7.72) | 3.0(1.4) | 31/3 | 9.08(4.4) |
| Letwin (1) | — | 0.09(0.06) | 1.2(2.0) | — | — | (3.3) |
| Next & Zonia (1) | 4.4(4.0) | 0.31(0.27) | 1.3(1.7) | — | — | (2.2) |
| Nrm & Wright (1) | 7.9(5.0) | 0.58(0.06) | — | — | 11/2 | (2.2) |
| Record Ridway (P) | 17.7(15.6) | 2.4(1.9) | 13.05(10.28) | 3.0(1.8) | 1/4 | 4.5(3.0) |
| Southern Parke (P) | 24.3(19.5) | 4.8(3.3) | 23.9(17.0) | 5.0(—) | 3/1 | — |
| Tricentrol (Q) | — | 0.24(0.007) | — | — | — | (2.5) |
| Woodrow Wyatt (1) | 2.1(2.7) | — | — | — | — | — |

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividends by 1.515. Profits are shown pre-tax and earnings are net. a Forecast, b Loss.

Borthwick sets out future policy on Matthews' associates

By Richard Allen

An eventual year for Thomas Borthwick, the international meat trader which went public only 18 months ago, has clearly taken its toll in balance-sheet terms.

The group's report and accounts issued yesterday revealed that total borrowings jumped from £36m to £42.5m where they stand some 45 per cent above shareholders' funds of just over £29m excluding goodwill.

These figures take no account of Matthews Holdings which Borthwick took over in a cash-for-shares deal in 1976. The group's debt ratio, however, before the September 30 year-end, was 1.2 to 1.

Consolidation of Matthews, which was itself highly geared with borrowings of £13m and net worth of £10m, will make further inroads into the group's debt ratio.

In the light of the stringent economic conditions in South Africa and the country's continuing high level of inflation, wage increases were kept at a minimum. The pay increase in August, for all white employees, was limited to about five per cent on basic rates. This is the second successive year in which the industry's whites have accepted pay increases which are substantially less than the advance in the Consumer Price Index reflecting a situation where real incomes are declining. Of course, the impact of this is lessened to the extent that we continue to provide extensive fringe benefits at minimal cost to employees. Wage increases for black workers were also treated with restraint and overall increases were limited to six per cent.

During the year under review, considerable attention has been given to the question of housing with particular reference to accommodation for blacks and coloureds. An agreement in principle has been reached with the Department of Bantu Administration and Development to allow the housing of key black workers in black urban residential areas without the historic ban on the housing of coloureds. In addition, blacks in possession of residential rights in an urban area will be allowed to retain their rights while taking up employment on a mine.

This represents an important concession to the mining industry and provides a meaningful opportunity to overcome, at least in part, the problems we have encountered for so long under the migratory system. In consequence, the Group Orange Free State mines acting jointly have embarked on the construction of an initial 175 houses in an ongoing programme in the Thabong township in Welkom. A programme for the housing of coloured employees was also initiated by the Group Orange Free State mines during the year, and to date 100 houses for married employees and a single quarters block to house 32 men have been built. A further 60 houses will be constructed in 1978. At present the houses are provided to coloureds under a lease arrangement through the Welkom Municipality, but a home-ownership scheme will be considered in due course. Formerly, the mines employed few coloureds, but the introduction of the JMS has provided the opportunity to employ them as plant operators.

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Full steam ahead at Linduristics

By Allison Mitchell

Industries, the engineering, polymer and textiles group, closed last year with more than a fifth in the first half of this year.

All divisions contributed to the improvement which saw the group make £3.7m pre-tax in the 28 weeks to October 15, against £2.8m last year. Turnover rose from a previous £4.1m to £4.6m.

Despite difficult trading conditions in the United Kingdom both the engineering and polymer divisions pushed volume up in the period.

Robber—bands-of-packaging materials manufacturer—A. Coombe which made an opening loss last year, returned to profit with a small contribution while growth from the rubber mouldings subsidiary also helped the polymer division. The books were set on further expansion by losses in the industrial rubber sector.

On the engineering side increasing sales from the motor vehicle components, metal forming subsidiary and the new equipment companies helped push profits from a previous £880,000 to £1.19m.

Overseas trading has been mixed with conditions in Canada and South Africa providing problems for Linduristics. Annual profits could be hit by exchange losses, according to Mr William Luke, chairman.

Earlier this year the group successfully fought off a £25m takeover bid from Hanson Trust and Mr Ian Elliott, finance director, reveals that the costs, fully provided for in the half-year figures, amounted to around £40,000.

Trading since October has been buoyant and the chairman envisages a profits increase for the second half making the year's total past last time's £5.6m.

As known there is an interim dividend of 4.5p, against a previous 2.2p, and the directors forecast a total payout of 13.6p for 1977-78. Last year's dividends amounted to 6.7p.

The shares were unchanged at 147p yesterday.

Ladbroke wins more Leisure & Gen

By Michael Clark

Tricentrol has more than doubled its profits for the nine months to September 30, and now stands at £2.35m. The group appears set to top the £3m projected by some observers earlier this year. Turnover in the same period increased by 34 per cent to £70.5m.

The group reports that the first two production wells on the "Thistle" platform are nearing completion and a start to production is expected later this month or the beginning of January. A sophisticated seismic survey over the northern half of block 21/18 is now being evaluated ahead of the 1978 drilling programme.

Formal award of the licence covering blocks 14/16 and 14/17 (Tricentrol 12½ per cent) has not yet been made. However, a joint seismic survey covering these and adjacent blocks has been arranged and is now expected to take place early next year.

Tricentrol doubles up after nine months

By Michael Clark

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FINANCIAL NEWS AND MARKET REPORTS

International

Hitachi aims to match last year's outcome

Japanese electronics manufacturer Hitachi hopes to maintain its net profit for the year to end-March 1978 at the same level as last year's 70,000 yen (about £147.3m) despite sluggish domestic demand and the yen's appreciation.

The company said it expects net sales on the same basis to rise slightly from 2,200,000 yen in the previous year.

Exports totalled 226,000 yen, up 23 per cent from 183,000 yen in the similar period a year earlier and up 10 per cent from 206,000 yen in the prior half-year.

Sales of heavy electricals, light electricals and motors totalled 274,200 yen, up 41 per cent from 194,900 yen a year earlier and up 11 per cent from 246,600 yen in the previous period.

Sales of home electric appliances totalled 256,000 yen, up 6 per cent from 240,600 yen a year ago and up 4 per cent from 247,000 yen in the prior six-month period.—Reuter.

Kathleen Rights

Kathleen Investments (Australia) is to make a one-for-four rights issue of 50 cents per share at 75 cents per share at January 13. Current issued capital is 9,858 shares. Kathleen shares have risen 7 cents to \$14.60 on the Sydney Stock Exchange.

Pakhoed's gloom

Dutch group Pakhoed Holding NV says that its Paktrak storage tank division's performance, including operations in West Germany, had deteriorated since first-half results were published in August. Paktrak now looks like making a considerable second-half loss for 1977.

Turnover and profits of the Paktrak division in Rotterdam and Amsterdam have also deteriorated in the second-half. But its property Blauwhoeft is going well, and no forecast can yet be made of overall group earnings. In 1976 it made a net profit of 43m florins (about £9.5m) on sales of 457m florins.

Pancontinental

Pancontinental, the Australian mining concern, has received letters from 10 European and 12 American utilities expressing interest in substantial purchases of uranium from the Jabaliru project in the Northern Territory, according to Mr Tony Grey, chairman.

The quantities being sought exceed 45,000 tonnes over the 10 years from 1981 to 1990, more than the initial design capacity of the proposed plant. The Jabaliru deposits are calculated to have reserves with a total of 207,400 tonnes of contained uranium oxide U3O8.

DEUNDE-CADEK INDONESIA

Boards say that following completion of revised offer at present being made by Rijkswijk for Deundek, they intend to open discussions with a view to exploring the possibility of a merger.

JOHANNESBURG CONSOL

Johannesburg Consolidated Investment Co Ltd's 140th eight year redeemable preference share issue attracted applications equal to only 58.8 per cent of the issue. Standard Merchant Bank Ltd and Union Acceptances Ltd, said.—Reuter.

Bank Base Rates

ABN Bank 7 1/2%
Barclays Bank 7 1/2%
Consolidated Bank 7 1/2%
First London Secs 7 1/2%
C. Hoare & Co 7 1/2%
Lloyds Bank 7 1/2%
London Mercantile 7 1/2%
Midland Bank 7 1/2%
Nat Westminster 7 1/2%
Parsons Trust 7 1/2%
TSB 7 1/2%
Williams and Glyn's 7 1/2%

* 7 day deposits on sums of £10,000 and under at 4 1/2% over £25,000 5 1/2%.

M. J. H. Nighingale & Co. Limited
The Over-the-Counter Market

1976-77 Low Company Last Price Ch'ge Gross Yld P/E

| | | | | | | |
|-----|-----|------------------------|-----|-------|------|------|
| 44 | 27 | Airsprung Ord | 41 | -4.2 | 10.0 | 7.8 |
| 130 | 100 | Airsprung 18 1/2% CULS | 148 | -18.4 | 12.5 | |
| 39 | 25 | Armstrong & Rhodes | 36 | -3.2 | 9.2 | 15.3 |
| 145 | 105 | Barclay Hill | 142 | -3.0 | 8.4 | 9.8 |
| 102 | 48 | Deborah 17 1/2% CULS | 99 | -5.1 | 5.2 | 8.0 |
| 216 | 104 | Deborah 17 1/2% CULS | 211 | -5.0 | 5.2 | 8.0 |
| 147 | 120 | Frederick Parker | 143 | -11.5 | 8.0 | 6.9 |
| 58 | 36 | Jackson Group | 50 | -5.0 | 10.0 | 5.9 |
| 114 | 55 | James Burroughs | 108 | -6.0 | 5.6 | 9.9 |
| 340 | 188 | Robert Jenkins | 312 | -27.0 | 8.6 | 5.3 |
| 24 | 8 | Twinnock Ord | 14 | -12.0 | 16.7 | |
| 72 | 57 | Twinnock 12 1/2% ULS | 70 | -7.0 | 10.0 | 8.7 |
| 10 | 40 | Unilock Holdings | 70 | -7.0 | 10.0 | 8.7 |
| 87 | 65 | Walther Alexander | 86 | -6.4 | 7.4 | 6.4 |

Commodities

COPPER was steady—LONDON. Copper futures were steady in London, with the March 1978 contract at 225.00. The December 1977 contract was at 224.00. The January 1978 contract was at 223.00. The February 1978 contract was at 222.00. The March 1978 contract was at 221.00. The April 1978 contract was at 220.00. The May 1978 contract was at 219.00. The June 1978 contract was at 218.00. The July 1978 contract was at 217.00. The August 1978 contract was at 216.00. The September 1978 contract was at 215.00. The October 1978 contract was at 214.00. The November 1978 contract was at 213.00. The December 1978 contract was at 212.00. The January 1979 contract was at 211.00. The February 1979 contract was at 210.00. The March 1979 contract was at 209.00. The April 1979 contract was at 208.00. The May 1979 contract was at 207.00. The June 1979 contract was at 206.00. The July 1979 contract was at 205.00. The August 1979 contract was at 204.00. The September 1979 contract was at 203.00. 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The November 1989 contract was at 81.00. The December 1989 contract was at 80.00. The January 1990 contract was at 79.00. The February 1990 contract was at 78.00. The March 1990 contract was at 77.00. The April 1990 contract was at 76.00. The May 1990 contract was at 75.00. The June 1990 contract was at 74.00. The July 1990 contract was at 73.00. The August 1990 contract was at 72.00. The September 1990 contract was at 71.00. The October 1990 contract was at 70.00. The November 1990 contract was at 69.00. The December 1990 contract was at 68.00. The January 1991 contract was at 67.00. The February 1991 contract was at 66.00. The March 1991 contract was at 65.00. The April 1991 contract was at 64.00. The May 1991 contract was at 63.00. The June 1991 contract was at 62.00. The July 1991 contract was at 61.00. The August 1991 contract was at 60.00. The September 1991 contract was at 59.00. The October 1991 contract was at 58.00. The November 1991 contract was at 57.00. The December 1991 contract was at 56.00. The January 1992 contract was at 55.00. The February 1992 contract was at 54.00. The March 1992 contract was at 53.00. The April 1992 contract was at 52.00. The May 1992 contract was at 51.00. The June 1992 contract was at 50.00. The July 1992 contract was at 49.00. The August 1992 contract was at 48.00. The September 1992 contract was at 47.00. The October 1992 contract was at 46.00. The November 1992 contract was at 45.00. The December 1992 contract was at 44.00. The January 1993 contract was at 43.00. The February 1993 contract was at 42.00. The March 1993 contract was at 41.00. The April 1993 contract was at 40.00. The May 1993 contract was at 39.00. The June 1993 contract was at 38.00. The July 1993 contract was at 37.00. The August 1993 contract was at 36.00. The September 1993 contract was at 35.00. The October 1993 contract was at 34.00. The November 1993 contract was at 33.00. The December 1993 contract was at 32.00. The January 1994 contract was at 31.00. The February 1994 contract was at 30.00. The March 1994 contract was at 29.00. The April 1994 contract was at 28.00. The May 1994 contract was at 27.00. The June 1994 contract was at 26.00. The July 1994 contract was at 25.00. The August 1994 contract was at 24.00. The September 1994 contract was at 23.00. The October 1994 contract was at 22.00. The November 1994 contract was at 21.00. The December 1994 contract was at 20.00. The January 1995 contract was at 19.00. The February 1995 contract was at 18.00. The March 1995 contract was at 17.00. The April 1995 contract was at 16.00. The May 1995 contract was at 15.00. The June 1995 contract was at 14.00. The July 1995 contract was at 13.00. The August 1995 contract was at 12.00. The September 1995 contract was at 11.00. The October 1995 contract was at 10.00. The November 1995 contract was at 9.00. The December 1995 contract was at 8.00. The January 1996 contract was at 7.00. The February 1996 contract was at 6.00. The March 1996 contract was at 5.00. The April 1996 contract was at 4.00. The May 1996 contract was at 3.00. The June 1996 contract was at 2.00. The July 1996 contract was at 1.00. The August 1996 contract was at 0.00. The September 1996 contract was at -1.00. The October 1996 contract was at -2.00. The November 1996 contract was at -3.00. The December 1996 contract was at -4.00. The January 1997 contract was at -5.00. The February 1997 contract was at -6.00. The March 1997 contract was at -7.00. The April 1997 contract was at -8.00. The May 1997 contract was at -9.00. The June 1997 contract was at -10.00. The July 1997 contract was at -11.00. The August 1997 contract was at -12.00. The September 1997 contract was at -13.00. The October 1997 contract was at -14.00. The November 1997 contract was at -15.00. The December 1997 contract was at -16.00. The January 1998 contract was at -17.00. The February 1998 contract was at -18.00. The March 1998 contract was at -19.00. The April 1998 contract was at -20.00. The May 1998 contract was at -21.00. The June 1998 contract was at -22.00. The July 1998 contract was at -23.00. The August 1998 contract was at -24.00. The September 1998 contract was at -25.00. The October 1998 contract was at -26.00. The November 1998 contract was at -27.00. The December 1998 contract was at -28.00. The January 1999 contract was at -29.00. The February 1999 contract was at -30.00. The March 1999 contract was at -31.00. The April 1999 contract was at -32.00. The May 1999 contract was at -33.00. The June 1999 contract was at -34.00. The July 1999 contract was at -35.00. The August 1999 contract was at -36.00. The September 1999 contract was at -37.00. The October 1999 contract was at -38.00. The November 1999 contract was at -39.00. The December 1999 contract was at -40.00. The January 2000 contract was at -41.00. The February 2000 contract was at -42.00. The March 2000 contract was at -43.00. The April 2000 contract was at -44.00. The May 2000 contract was at -45.00. The June 2000 contract was at -46.00. The July 2000 contract was at -47.00. The August 2000 contract was at -48.00. The September 2000 contract was at -49.00. The October 2000 contract was at -50.00. The November 2000 contract was at -51.00. The December 2000 contract was at -52.00. The January 2001 contract was at -53.00. The February 2001 contract was at -54.00. The March 2001 contract was at -55.00. The April 2001 contract was at -56.00. The May 2001 contract was at -57.00. The June 2001 contract was at -58.00. The July 2001 contract was at -59.00. The August 2001 contract was at -60.00. The September 2001 contract was at -61.00. The October 2001 contract was at -62.00. The November 2001 contract was at -63.00. The December 2001 contract was at -64.00. The January 2002 contract was at -65.00. The February 2002 contract was at -66.00. The March 2002 contract was at -67.00. The April 2002 contract was at -68.00. The May 2002 contract was at -69.00. The June 2002 contract was at -70.00. The July 2002 contract was at -71.00. The August 2002 contract was at -72.00. The September 2002 contract was at -73.00. The October 2002 contract was at -74.00. The November 2002 contract was at -75.00. The December 2002 contract was at -76.00. The January 2003 contract was at -77.00. The February 2003 contract was at -78.00. The March 2003 contract was at -79.00. The April 2003 contract was at -80.00. The May 2003 contract was at -81.00. The June 2003 contract was at -82.00. The July 2003 contract was at -83.00. The August 2003 contract was at -84.00. The September 2003 contract was at -85.00. The October 2003 contract was at -86.00. The November 2003 contract was at -87.00. The December 2003 contract was at -88.00. The January 2004 contract was at -89.00. The February 2004 contract was at -90.00. The March 2004 contract was at -91.00. The April 2004 contract was at -92.00. The May 2004 contract was at -93.00. The June 2004 contract was at -94.00. The July 2004 contract was at -95.00. The August 2004 contract was at -96.00. The September 2004 contract was at -97.00. The October 2004 contract was at -98.00. The November 2004 contract was at -99.00. The December 2004 contract was at -100.00.

Commodities

March, 242-45; May, 244-48. Sales, 10,000 tons. The market was steady. The price of copper was 225.00. The price of silver was 10.00. The price of gold was 100.00. The price of platinum was 100.00. The price of palladium was 100.00. The price of rhodium was 100.00. The price of iridium was 100.00. The price of osmium was 100.00. The price of ruthenium was 100.00. The price of technetium was 100.00. The price of niobium was 100.00. The price of molybdenum was 100.00. The price of chromium was 100.00. The price of manganese was 100.00. The price of iron was 100.00. The price of cobalt was 100.00. The price of nickel was 100.00. The price of copper was 100.00. The price of silver was 100.00. The price of gold was 100.00. The price of platinum was 100.00. The price of palladium was 100.00. The price of rhodium was 100.00. The price of iridium was 100.00. The price of osmium was 100.00. The price of ruthenium was 100.00. The price of technetium was 100.00. The price of niobium was 100.00. The price of molybdenum was 100.00. The price of chromium was 100.00. The price of manganese was 100.00. The price of iron was 100.00. The price of cobalt was 100.00. The price of nickel was 100.00. The price of copper was 100.00. The price of silver was 100.00. The price of gold was 100.00. The price of platinum was 100.00. The price of palladium was 100.00. The price of rhodium was 100.00. The price of iridium was 100.00. The price of osmium was 100.00. The price of ruthenium was 100.00. The price of technetium was 100.00. The price of niobium was 100.00. The price of molybdenum was 100.00. The price of chromium was 100.00. The price of manganese was 100.00. The price of iron was 100.00. The price of cobalt was 100.00. The price of nickel was 100.00. The price of copper was 100.00. The price of silver was 100.00. The price of gold was 100.00. The price of platinum was 100.00. The price of palladium was 100.00. The price of rhodium was 100.00. The price of iridium was 100.00. The price of osmium was 100.00. The price of ruthenium was 100.00. The price of technetium was 100.00. The price of niobium was 100.00. The price of molybdenum was 100.00. The price of chromium was 100.00. The price of manganese was 100.00. The price of iron was 100.00. The price of cobalt was 100.00. The price of nickel was 100.00. The price of copper was 100.00. The price of silver was 100.00. The price of gold was 100.00. The price of platinum was 100.00. The price of palladium was 100.00. The price of rhodium was 100.00. The price of iridium was 100.00. The price of osmium was 100.00. The price of ruthenium was 100.00. The price of technetium was 100.00. The price of niobium was 100.00. The price of molybdenum was 100.00. The price of chromium was 100.00. The price of manganese was 100.00. The price of iron was 100.00. The price of cobalt was 100.00. The price of nickel was 100.00. The price of copper was 100.00. The price of silver was 100.00. The price of gold was 100.00. The price of platinum was 100.00. The price of palladium was 100.00. The price of rhodium was 100.00. The price of iridium was 100.00. The price of osmium was 100.00. The price of ruthenium was 100.00. The price of technetium was 100.00. The price of niobium was 100.00. The price of molybdenum was 100.00. The price of chromium was 100.00. The price of manganese was 100.00. The price of iron was 100.00. The price of cobalt was 100.00. The price of nickel was 100.00. The price of copper was 100.00. The price of silver was 100.00. The price of gold was 100.00. The price of platinum was 100.00. The price of palladium was 100.00. The price of rhodium was 100.00. The price of iridium was 100.00. The price of osmium was 100.00. The price of ruthenium was 100.00. The price of technetium was 100.00. The price of niobium was 100.00. The price of molybdenum was 100.00. The price of chromium was 100.00. The price of manganese was 100.00. The price of iron was 100.00. 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The price of molybdenum was 100.00. The price of chromium was 10

[illegible]

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

